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TOBACCO WORLD

ESTABLISHED
1881

In This Issue

NEW YORK LEAF TOBACCO BOARD OF TRADE BANQUET ATTENDED BY REPRESENTATIVE GROUP

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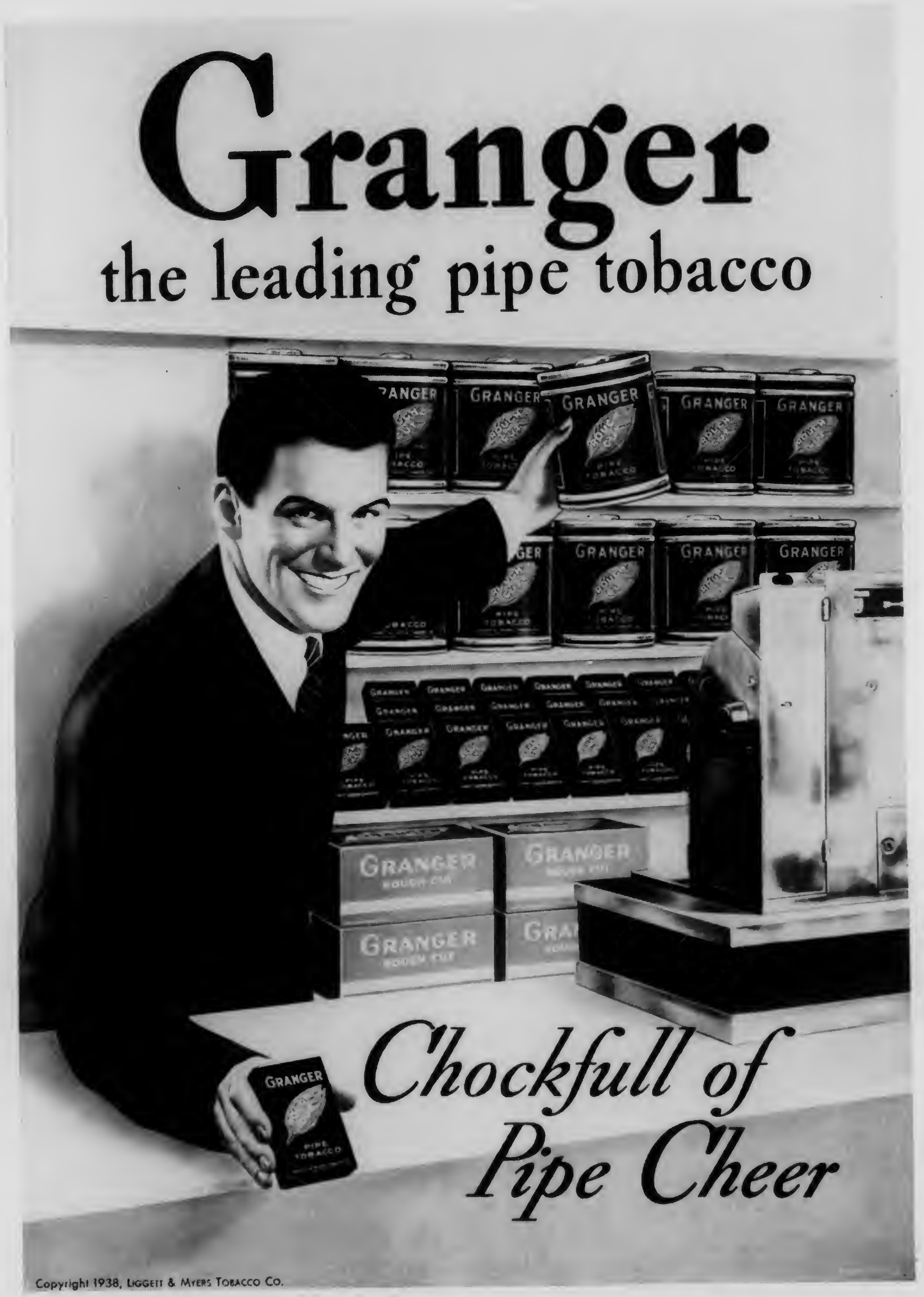
SIXTH ANNUAL CONVENTION OF N. A. T. D. TO BE HELD AT THE COMMODORE JAN. 19-22

THE TALK OF THE TRADE



Hobart B. Hankins—*Editor* | *Associate Editor*—John Cleary

THE TOBACCO WORLD

Vol. 58 | JANUARY, 1938 | No. 1

THE announcement of the Jewish War Veterans that they have started a movement to have all American tobacco products manufacturers conspicuously mark all their containers, packages, etc., "Made In U. S. A." is a step in the right direction and a good advertisement for the tobacco industry in this country.

A part of the veterans' plan is to invite the co-operation of the chambers of commerce throughout the nation to participate in spreading the idea among their members. The veterans charge that some foreign manufacturers are continually evading the law which requires imported merchandise to be stamped with the name of the country of origin.

A quick way to end this practice would be to have Government agents confiscate such unmarked merchandise.

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WHEN the National Association of Tobacco Distributors meet at the Hotel Commodore for their annual convention, January 19th to 22d, inclusive, the largest attendance in the organization's history is anticipated. Joe Kolodny predicts that the attendance at the banquet on Saturday night, January 22d, will approach the one thousand mark.

The program will be devoted to discussions of trade problems. Some of the problems are as old as the industry; most of the others are of more recent birth and have attained prominence because of constantly changing economic conditions.

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THE New York Wholesale Tobacco Distributors' organization, through its secretary, Martin Resnick, has appealed to its membership to abandon the practice of selling direct to the consumer, pointing out that by so doing both business and profit are taken away from the struggling retailer. It also suggests that cigar manufacturers discontinue making sales direct to the smoker.

This problem is about as old as the industry and has its various points of view from several angles. The manufacturer has his viewpoint, as does the jobber, and of course the retailer has a very definite one.

We doubt very much if the sales made to the consumer by manufacturer or jobber are as serious as pictured, so far as cutting into the retailers' business is concerned. And the smoker is only fooling himself if he thinks he is saving very much when he buys "direct." And in most cases these sales are for 500 cigars or less, and are an actual nuisance.

But to get into the tenderloin of this argument our observation is that only cigars in the Class C and up brackets are affected, but yet it must be admitted that so far as the retailer is concerned the loss to him is substantial.

First let us take the high-grade clubs of the country. They probably constitute the country's greatest outlet for high-grade cigars and always carry a large variety of brands and sizes. Club members receive a small discount if they buy their holiday cigar gifts at their club. And distributors do likewise.

We know several distributors and jobbers who at the Christmas season enjoy orders for cigars the cost of which will run from $200 to $1000. A deceased United States Senator used to send out from $500 to $1000 worth every Christmas to his more intimate friends.

He could not buy from a retailer, for the stock was not on hand to select from. However, he could go to the humidor of his jobber and select for price, size and color and complete his transaction in half an hour. Obviously no retailer could do it for him. The saving is small, but the customer gets what he wants, and after all it is the "satisfied" customer that counts.

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CANADIAN cigar manufacturers have filed a petition with the Tariff Board at Ottawa for a reduction in customs duties and excise taxes, claiming that these taxes are responsible to a great degree for the decline in cigar consumption in the Dominion. The petitioning manufacturers show that from 1931 to 1935 cigar production fell off 26 per cent. and in the same period the government revenue from this source dropped 33 per cent., which represents a very substantial sum when figured out in dollars and cents.

Here in the United States, as in Canada and the world over, the lawmaking bodies are constantly hunting for ways and means to collect not only more taxes but to find new sources as well to tax. Not satisfied with milking even the smallest wage-earner with income and other taxes, hidden and otherwise, they always keep an alert and jealous eye on the earnings of the tobacco industry, with fingers itching constantly to get a larger and still larger share of them. And obviously the easiest way to accomplish this purpose is to write and pass a new tobacco tax bill.

Despite the fact that taxes on the tobacco industry in the United States are at the highest point in many a year, the production has continued to increase and the industry is going steadily ahead, strange as it may seem. But unfortunately for the Canadian manufacturers, increased taxes have resulted in a decrease in the cigar output.

In their petition to the Tariff Board the Canadian manufacturers point out that unless there is a reduction in their taxes there will be a diminishing number of cigar factories in Canada and a gradual dying out of the distributing and retail branches as well.

We wish our Canadian friends good luck with their petition, but it is our observation that to get a tax law repealed is a lifetime job.

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SHADE tobacco growers, handlers, and processors of Connecticut Valley tobacco (U. S. Type 61) met with AAA officials in the Department of Agriculture December 10th to discuss production and marketing requirements of Type 61 relative to the 1939 crop year, the Agricultural Adjustment Administration announced. Following a discussion of the present situation and the outlook for 1938, the group recommended an increase of 5 per cent. in the acreage of Type 61 for 1938 over the 1937 acreage. In 1937, approximately 7300 acres were harvested, according to the July 1st crop report.

Some growers expressed the opinion that the increase would not be fully warranted in view of the present situation, and some of the manufacturers were of the opinion that the increase might be larger. However, after discussing the recent changes in consumption, present stocks and the general outlook, the 5 per cent. increase in acreage recommendation was agreed upon.

The recommendations made at the meeting will be submitted to the Secretary of Agriculture as a basis for his determination, under the terms of the marketing agreement for Type 61, of acreage advisable to plant next year. According to the terms of the agreement, the Secretary will announce the advisable acreage not later than February 2, 1938.

The marketing agreement for Connecticut Valley shade-grown tobacco has been in operation since December 11, 1933.

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THE principle that a relatively small percentage of the outlets in any line account for the great bulk of the business in dollar volume has long been the underlying basis of the advertising and sales programs of sound merchandisers. The truth of this principle was firmly established by the findings of the U. S. Department of Commerce, Bureau of the Census, in the Census of Business for the year 1935, the material for which was gathered in that year and the data published recently in a series of detailed reports.

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THE reports show, among other things, that in total retail sales (1,527,088 stores in 66 lines of business with an aggregate volume of $25,278,840,000) 36 per cent. of the outlets do 86 per cent. of the dollar volume; in total wholesale sales (79,333 stores in 59 lines of business with an aggregate volume of $14,817,041,000) 36 per cent. of the outlets do 88 per cent. of the dollar volume. These percentages hold, by and large, for the individual businesses represented. The variations are not great for those classes of business in which it is generally thought that there is a more even distribution of sales volume over a large number of stores.

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IN apparel, for instance, 29 per cent. of the outlets do 78 per cent. of the business, and in food, 33 per cent. of the outlets do 80 per cent. of the business. At the other extreme, there is the business of advertising agencies. In the advertising agency business (978 agencies with total billing of $215,278,140) 11.4 per cent. of the agencies handle 80 per cent. of the billings. And in the automotive business the following percentages are revealed: in retail, 23 per cent. of the outlets do 87 per cent. of the sales volume; in wholesale, 23 per cent. of the outlets do 80 per cent. of the sales volume; in general automotive repair shops, 30 per cent. of the outlets do 75 per cent. of the sales volume.

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TOBACCO products are not so readily struck off on a percentage basis as regards their retail sales, for the reason that cigars and cigarettes, which form the great bulk of the volume, are sold in so many varieties of establishments that nobody knows exactly how many retail tobacco outlets there are altogether. And the Census did not attempt to segregate the sales of tobacco products from the total sales of restaurants, hotels, taprooms, drugstores, grocery stores, filling stations, department stores, etc., etc. Perhaps we may get some idea, however, from the tobacco products sales of cigar stores and cigar stands, plus the total sales of eating and drinking places, as well as drugstores.

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IN all, there are 323,711 separate stores of these three classes listed in the Census reports. These did a total business of $3,820,648,000. And 85,382 of them—or 26 per cent.—did a volume of $2,538,483,000—or 66 per cent. of the total. Included are 13,790 independent cigar stores and cigar stands with a total sales volume of $119,012,000. Of these, 3579—or 29 per cent.—accounted for $83,085,000 in sales—or 70 per cent. of the total. Included also are 1608 chain cigar stores with a total sales volume of $65,525,000. And of these, 467—or 29 per cent.—did $36,387,000 in sales—or 56 per cent. of the total.

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WHOLESALE sales of tobacco products are, naturally, much more definitely covered in the Census reports. The reports account for 1914 wholesale merchants, known in the tobacco trade as wholesalers, distributors or jobbers of tobacco products, with the exception of leaf. In 1935 these 1914 wholesalers did a total business of $744,644,000. And 659 of them—or 34 per cent.—did a sales volume of $601,534,000—or 81 per cent. of the total. The business was divided among the sections of the country as follows: Middle Atlantic, $226,086; East North Central, $172,870; Pacific, $89,399; South Atlantic, $75,876; North East, $65,758; West North Central, $48,215; West South Central, $34,222; East South Central, $17,969; Mountain, $14,249.

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OF the total wholesale volume in tobacco products sales reported, the thirteen leading cities of the country alone accounted for $301,269,000, or 40 per cent. These city sales were divided as follows: New York, $96,090,000; San Francisco, $38,491,000; Chicago, $35,597,000; Philadelphia, $24,667,000; Detroit, $22,231,000; Boston, $17,113,000; Cleveland, $13,056,000; Los Angeles, $11,193,000; St. Louis, $10,807,000; Baltimore, $9,324,000; Milwaukee, $7,958,000; Buffalo, $7,523,000; Pittsburgh, $7,219,000.

Lad's Leaf Costs Analyzed

Demonstrates That Fertilizer Helps to Produce Profit on Small Area

HOW a six-year-old boy confirmed experts' survey for tobacco leaf costs, demonstrating that careful use of fertilizer produces large profit on a small area, is told by Henry I. Bowles in the *South Hill (Va.) Enterprise,* issue of December 9, 1937.

Mr. Bowles writes that William Garland Watson, Jr., son of Mr. and Mrs. W. G. Watson, of near South Hill, who during sales on the market received around $314.72 for tobacco cultivated by him on a plot of land loaned by his father, is now five years old; will be six on January 11th. With the assistance of an old mule, it is stated, and such other aid as he could obtain from farm hands and his parents, he cultivated nearly 3000 hills of tobacco, stripped the leaves, tied them, and attended to the details of the curing.

The incident is related, it is explained, to illustrate what can be accomplished in raising tobacco, if properly done, even by a small lad.

The leaf, sold in South Hill, was disposed of in two lots, the primings bringing around $52; the remaining leaves, $262.72 net (less warehouse charges).

Some attention has been attracted from tobacco experts to this story on account of certain details connected with it. It ties in with studies made by experts on tobacco growing. The land cultivated, in this case, amounted to about three-fifths of an acre, it is pointed out. The fertilizer used was not quite three bags. On the basis of the acre, therefore, this not yet six-year-old lad received around $500.00 the acre for his tobacco crop.

A part of the crop was damaged by a hail storm, it was explained. Otherwise, the profits would have been larger.

Even for an older person, this transaction was commented on as rather advantageous. For a small lad, just beginning his initiation into the art of tobacco growing, it brought out a number of important considerations, it was explained.

Inquiries on the subject of tobacco growing from experts and others associated with the market here, elicited a good deal of information that seems important to the tobacco grower. The comment of one of these was:

"It shows the advantage of intensively cultivating the area of land that can be handled properly and giving the resulting tobacco crop the amount of attention it requires."

About two years ago a study was made of the growing of flue-cured tobacco by South Carolinian farmers. The information obtained was analyzed, tabulated, and published by T. J. Woofter, Jr., of the University of North Carolina. His brochure, "The Plight of Cigarette Tobacco," deals closely with this subject, and gives careful analysis of the data obtained. It was pointed out that Prof. Woofter merely analyzed the data, the information having been of a practical nature, emphasizing the experience of tobacco growers on farms totaling 557 acres of land.

Comment on the findings of Prof. Woofter were made at the time in the publication devoted to "Tobacco" by Thomas R. Harrison, now Sales Supervisor of the South Hill tobacco market.

It is to be noticed, tobacco experts here explain, that the findings in the case of the "study," were rather pointedly illustrated by the experience of this lad—working supposedly under the direction of his elders—who nevertheless is known to have devoted considerable attention to the cultivation of his crop.

In other words, it is pointed out, the incident told of this boy on the farm near South Hill, is much wider in its implications than the fact that a lad of but a few years should be able to make a considerable sum of money by selling tobacco of his own cultivation on the market.

A carefully itemized cost of growing this tobacco can be figured on the basis of the "study" made on South Carolina farms, as follows:

Study for One Acre

Burning and planting plant bed	$ 2.00
Fertilizer and seed for plant bed	.94
Canvas for plant bed	.93
Picking or weeding plant bed	.70
Plowing tobacco land	3.00
Discing and harrowing land	1.00
Bedding or listing land	1.50
Fertilizer	16.70
Distributing fertilizer	.80
Transplanting or setting plants	3.15
Re-planting and hoeing	2.00
Cultivating	4.05
Topping and suckering	4.25
Poison and applying poison for horn worms	1.60
Harvesting and housing	12.90
Curing	8.00
Sorting, tying and preparing for market	15.15
Hauling to Market	2.95
Rent of land and use of barns and sticks	14.10
All other costs not already mentioned	4.30
Total cost	$100.37

Reducing the cost per acre to three-fifths of an acre gives the cost of production of the boy's crop as just $60.22.

This cost should be further reduced, however, because the amount of fertilizer used by the boy was much less than that in the "study". Reducing the study figures on fertilizer to three-fifths, the cost of fertilizer is $12.02. But the actual cost of the fertilizer used by the boy was around $6.00, it is stated. This means that the cost of producing the tobacco should be around $54.20.

Compared with the total value of the crop as sold on the South Hill market, there appears an almost clear profit of $258.52; the tobacco grown on little more than half an acre of land.

The amount of land cultivated is reached in two ways: First, that was the actual size of the strip given the boy for his use—as nearly as could be ascertained. Second, assuming the hills were the usual distance apart, 3 by 3½ feet, the 3,000 hills would occupy exactly three-fifths of an acre.

"Why These Pickets?"

"WHY These Pickets?" was the question asked on posters placed in windows of picketed Whelan drug stores in the New York Metropolitan area in the course of a strike called by the C. I. O. under circumstances characterized by the company as "outrageously unfair." The posters outlined the company's side of the case as follows:

1. At 8 P. M., Friday, December 17, the State Labor Relations Board unexpectedly handed down a decision, for the first time certifying the Retail Drug Store Employees Union, a C. I. O. affiliate, as the sole bargaining agency for our employees.

2. C. I. O. officials immediately issued an ultimatum that negotiations must begin and an agreement reached that same night, or a strike would be called at 6 o'clock the next morning (Saturday).

3. The company offered to begin negotiations promptly Monday morning, December 20, because that was the earliest possible time when its responsible officials could meet with the union and be prepared with the facts and figures necessary for any intelligent discussion of the union's demands.

4. C. I. O., however, refused to listen to this reasonable offer, and insisted not only on starting negotiations Friday night, but also on reaching an immediate agreement.

5. We refused to accede to any such outrageously unreasonable ultimatum.

In the meantime our customers can be assured that we will do everything in our power to continue to give them the service they have a right to expect.

That's the story behind the pickets. We want to be fair and, naturally, expect the same treatment from the union.

In discussing the strike, Vice-President H. J. Moffett, of the United Cigar-Whelan Stores Corporation, said:

"Certainly our company is entitled to a fair opportunity to negotiate at the earliest time that such negotiations can reasonably be arranged. We believe that to use picketing and strike threats as a swift reprisal for failing to meet outrageously unreasonable demands fails to meet the standards of sportmanship and fair play which our employees and we ourselves have the right to expect."

To give their customers and the public a better understanding of working conditions in their stores, which they claim the C. I. O. misrepresents, the Whelan Drug Co. promptly issued for distribution to customers in their stores a booklet giving "12 Facts About Whelan Jobs." These facts showed that:

1. Of fifty-seven stores the company operates in the Metropolitan area, fifty-four were open for business as usual Saturday, the day the strike was called. No strikebreakers were employed in any of these stores. The three closed stores were in Queens Village, Woodhaven, and Glen Cove.

2. Although the company has emerged only recently from receivership, the annual payroll for these fifty-seven drug stores is now $101,400 more than it was a year ago, representing an average increase for individual employees of more than 10 per cent.

3. One or two weeks' vacation with full pay are given to all employees, depending on length of service.

4. Generally speaking, soda fountain employees are young men and young women, many of them in their first regular jobs. If they do not stay long in these jobs, it is because as they grow older and acquire experience they usually obtain better jobs, either within or outside the organization.

5. The maximum work week for soda fountain employees is fifty-four hours for men, forty-eight for women. At any time an employee is requested to work longer hours, he is paid for the overtime at his regular rate.

6. We encourage young men in our employ to study pharmacy so that they may qualify for jobs as registered pharmacists. Starting salaries for registered pharmacists with us are $30 a week.

7. Whelan drug store employees have to work no harder than persons with similar positions in any other kind of retail store.

8. Free medical aid is supplied employees, including home visits.

9. Group life insurance at low rates is available to employees. The company pays half the premium.

10. If an employee's services is unnecessary because of the permanent closing of a store, every effort is exhausted to find a place for him elsewhere in the organization. If no such place exists, the employee is paid one week's salary if he has worked for the Company for six months. If he has worked two years or more, he gets two weeks' pay.

11. Every employee get a square deal. He has steady work fifty-two weeks in the year.

12. Procedure has been set up so that any employee with a grievance of any kind can bring the matter to the attention of top executives in the Company.

Any fair-minded employee knows that his job with the Whelan drug stores is a good job. He has security, steady work, a paid vacation, opportunity for advancement, and pay commensurate with the work done. He knows that the company is doing everything for him that the business will permit.

CARL W. HARRIS PASSES

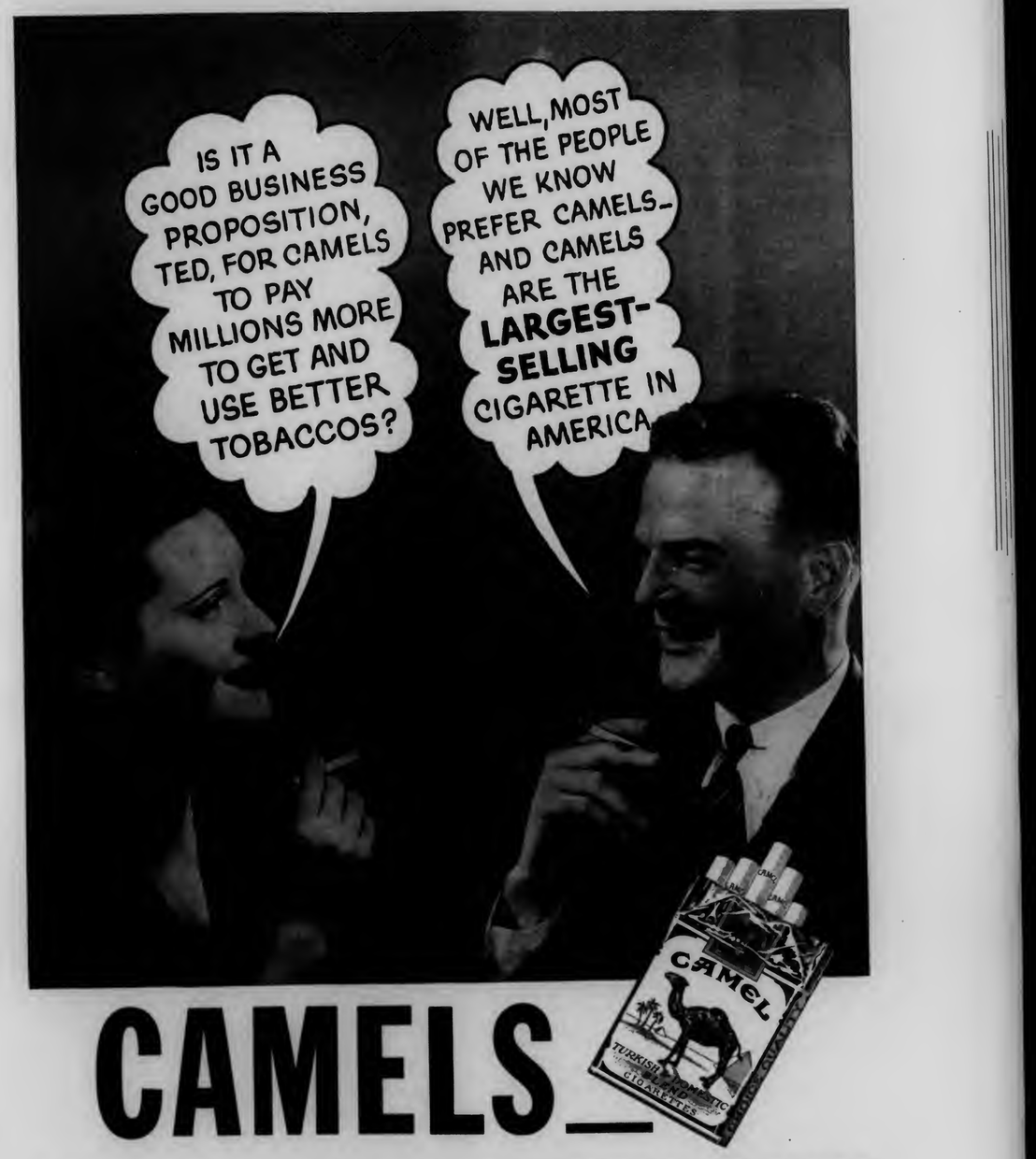
Carl W. Harris, vice-president and a member of the Board of Directors of the R. J. Reynolds Tobacco Company, died in New York December 18th in Roosevelt Hospital. His age was fifty-six.

Funeral services took place on December 20th in Winston-Salem, N. C. Mr. Harris was born in Winston-Salem October 22, 1881, son of E. E. Harris and Belle W. Murphy Harris. He was educated in the public schools, and entered the employ of the law firm of Glenn & Murphy. Within a few years he became connected with the advertising of the Reynolds Company. He was made manager of the sales department in 1924, and in 1925 he was elected a director. He was named vice-president in 1931.

Mr. Harris was an ardent sportsman and breeder of bird dogs. Several of his dogs have won prizes.

Mr. Harris is the second director of the Reynolds firm to die recently. Robert D. Shore, treasurer and a director, died several months ago, following an operation.

Surviving are the widow and mother.



Tobacco Products Gain in November

Every Classification Registered Increase
Cigars Up 7.33%; Cigarettes, 10.64%
Even Snuff and Mfd. Tobacco Share in Gain

EVERY classification of tobacco products registered an increase in November, 1937, over the corresponding month of 1936, it is revealed in the report of withdrawals for consumption published by the Tobacco Merchants Association of the United States in the monthly supplement to its *Tobacco Barometer*. The gains ranged from a little over one-half of one per cent. for cigars to nearly 15 per cent. for large cigarettes.

Taking the classifications one by one, here is how they lined up for the month:

The grand total of cigars of all classes was 509,634,134, as compared with 507,024,310, an increase of 2,609,824, or 0.51 per cent.

Class A, the only class to gain, naturally accounted for the larger share of the total, with 426,278,455, as compared with 421,952,155, an increase of 4,326,300, or 1.03 per cent. A glance at the figures of the table on this page will show that the Philippines helped in this gain, while Puerto Rico showed a loss.

Class B, with 5,217,429, was 406,191, or 7.22 per cent., behind the 5,623,620 of November, 1936.

Class C also registered a slight decline, its 71,324,844 comparing with 71,697,006, a loss of 372,162, or 0.52 per cent.

Class D's decrease was the greatest, both in quantity and per cent., in the cigar classification. The total was 5,661,941, as compared with 6,509,025, a loss of 847,084, or 13.01 per cent.

Class E totaled 1,151,465, as compared with 1,242,504, a decrease of 91,039, or 7.33 per cent.

Little cigars piled up a total of 16,302,770, as compared with 15,176,600, an increase of 1,126,170, or 7.42 per cent.

There was a sizable increase of 1,229,376,683, or 10.64 per cent., in cigarettes. The total of 12,786,837,123 compared with 11,557,460,440.

Large cigarettes totaled 461,514, as compared with 401,800, an increase of 59,714, or 14.86 per cent.

Snuff aggregated 3,216,535 pounds, as compared with 3,034,777, an increase of 181,758 pounds, or 5.99 per cent.

Manufactured tobacco, finally, totaled 23,797,206 pounds, as compared with 23,576,496, an increase of 221,710 pounds, or 0.94 per cent.

	November, 1937		Increase or Decrease Quantity	Per Cent.
Cigars:				
Class A—				
United States	409,533,460	+	4,983,865	1.23
Puerto Rico	288,000	—	5,500,125	....
Philippine Islands	16,456,995	+	4,842,560	41.69
Total	426,278,455	+	4,326,300	1.03
Class B—				
United States	5,188,576	—	183,171	3.41
Puerto Rico	14,500	—	197,400	....
Philippine Islands	14,353	—	26,620	....
Total	5,217,429	—	406,191	7.22
Class C—				
United States	71,199,832	—	330,966	0.46
Puerto Rico	72,200	—	42,350	....
Philippine Islands	52,812	+	1,154	....
Total	71,324,844	—	372,162	0.52
Class D—				
United States	5,616,550	—	868,515	13.39
Puerto Rico	.....		.....	....
Philippine Islands	45,391	+	21,431	....
Total	5,661,941	—	847,084	13.01
Class E—				
United States	1,147,590	—	94,914	7.64
Puerto Rico	.....		.....	....
Philippine Islands	3,875	+	3,875	....
Total	1,151,465	—	91,039	7.33

	November, 1937		Increase or Decrease Quantity	Per Cent.
Total All Classes:				
United States	492,686,008	+	3,506,299	0.72
Puerto Rico	374,700	—	5,739,875	93.87
Philippine Islands	16,573,426	+	4,843,400	41.29
Grand Total	509,634,134	+	2,609,824	0.51
Little Cigars:				
United States	16,302,770	+	1,376,170	9.22
Puerto Rico	.....	—	250,000	....
Philippine Islands	.....		.....	....
Total	16,302,770	+	1,126,170	7.42
Cigarettes:				
United States	12,786,229,523	+	1,229,113,233	10.64
Puerto Rico	495,200	+	175,200	....
Philippine Islands	112,400	+	88,250	....
Total	12,786,837,123	+	1,229,376,683	10.64
Large Cigarettes:				
United States	439,004	+	97,204	28.44
Puerto Rico	22,500	—	37,500	62.50
Philippine Islands	10	+	10	....
Total	461,514	+	59,714	14.86
Snuff (lbs.):				
All United States	3,216,535	+	181,758	5.99
Tobacco Mfrd. (lbs.):				
United States	23,797,206	+	220,710	0.94
Philippine Islands	.....		.....	....
Total	23,797,206	+	220,710	0.94

New Year's Resolution for Jobbers, Salesmen and Dealers—

"Don't Put Off Humidifying!"

Smokers who appreciate good cigars won't stand for dry cigars.

Don't let dry cigars turn away business. Don't let your customers go down the street! Get the business yourself! Make sure your stock is properly humidified. Make sure your cigars are in good condition *always*.

Artificial heat is usually dry heat. Overcome this dryness! Humidify now! Make the most of winter by keeping your stock in *better* condition than the stock of your competitors!

Put your cigars in a humidified case every night. Keep your customers satisfied! Keep them coming back to *you* for cigars the way they like them!

Sell GOOD cigars in GOOD condition

EL PRODUCTO
CIGARS
for real enjoyment

G.H.P. Cigar Co., Inc.
Phila., Pa.

All Aboard for N. A. T. D. Convention

REPORTS emanating from the N. A. T. D. office and that of convention headquarters in the Hotel Commodore, New York City, January 19-22, 1938, virtually assure an unprecedented attendance. "While I had every reason to believe that the convention would go over big," said Joseph Kolodny, executive secretary of the N. A. T. D., "I never dreamed that it would go over so well at this early stage. Members of the Convention Board have done an excellent job. Our exhibit space was all sold out last week and arrangements had to be made to take care of the overflow. However, each exhibitor is assured of a fine spot. Our arrangements took care of that."

As a result of the announcement stating that the N. A. T. D. would take up the Drop and Service shipment issue, jobbers have taken a keener interest in the program of the Convention. Several have also been attracted by the announcement of the Chevrolet Truck award which, of course, any distributor can use.

The Contingent plan, evolved around the principle of local civic pride, has wholesale distributors working diligently to put their contingent on the map. It was explained that the largest contingent, according to the set rules, will be the hotel guest of the National Association and will be the guest at the banquet during which time, with fitting ceremonies, the selected Contingent will also be awarded the N. A. T. D. Trophy, a prized possession.

The "Sales Managers' Forum" is being received with favor, reports indicated. It is expected that this "clinic" will be of invaluable help to distributors as well as manufacturers, some of whom will be represented as speakers at the forum. Leading representatives of some of the bigger houses, are listed as prominent speakers on Sales Promotion and Modern Merchandising.

When asked about reservations for the banquet, Mr. Kolodny said, "I'm not much at making predictions but if reservations keep coming in at the present rate, we may look forward to over one thousand and perhaps fifteen hundred guests. And talking about the banquet . . . while I do not think we can eclipse the show of last year, we're planning to have one equally as attractive. For those who go in for dancing, two orchestras, one under the direction of the famed Tommy Dorsey, will furnish the scintillating music. And while we're still on that subject, you'll certainly want to hear the new theme song, introduced for the first time, and especially written for this occasion. Those in the know, claim it will be a national hit. The title of this new song is 'Smoke and Dream Your Troubles Away.'"

Speakers will be limited to those executives who are active in lines akin to tobacconists. Among those who are scheduled to address the assemblage are: Lee Singer, vice-president and sales manager of Kaufman Bros. & Bundy; J. Harvey McHenry, vice-president and sales manager of America's Own Match Co.; and George A. Graham, vice-president of the Gillette Safety Razor Co.

(*Continued on Page 13*)

Cigars Pass Five Billion Mark

Total for Eleven Months Exceeds That for Entire Year 1936; Cigarettes Pile Up Staggering Total of 150 Billion for Period

CIGARS and little cigars, cigarettes and large cigarettes, all registered substantial gains, while snuff and manufactured tobacco were both left trailing behind, during the first eleven months of the 1937, as compared with the corresponding period, according to the report of the Tobacco Merchants Association of the United States, contained in the supplement to the *Tobacco Barometer*. Cigars were up nearly 3½ per cent., little cigars nearly 12 per cent., cigarettes over 7 per cent., and large cigarettes nearly 19 per cent. Snuff was down more than 4½ per cent., and manufactured tobacco 2⅓ per cent.

Cigars of all classes totaled 5,183,709,373, as compared with 5,010,665,531, an increase of 173,043,842, or 3.45 per cent.

Each single class of cigars shared in this increase.

Class A totaled 4,564,726,055, as compared with 4,424,815,470, a gain of 139,910,585, or 3.16 per cent.

Class B totaled 51,938,128, as compared with 49,624,519, an increase of 2,313,609, or 4.66 per cent.

Class C totaled 523,713,922, as compared with 494,256,127, a gain of 29,457,794, or 5.96 per cent.

Class D totaled 38,771,976, as compared with 37,908,444, an increase of 863,532, or 2.28 per cent.

Class E showed the biggest percentage of gain. The total was 4,559,292, as compared with 4,060,970, an increase of 498,322, or 12.27 per cent.

Little cigars totaled 189,439,024, as compared with 169,483,692, an increase of 19,955,332, or 11.77 per cent.

Cigarettes reached the staggering total of 150,020,030,377, as compared with 139,925,811,970, an increase of 10,094,218,407, or 7.21 per cent.

Large cigarettes totaled 3,133,191, as compared with 2,638,711, an increase of 495,280, or 18.77 per cent.

The snuff total was 33,534,402, as compared with 35,154,678, a decrease of 1,620,276 pounds, or 4.61 per cent.

The manufactured tobacco total was 279,624,190, as compared with 286,233,265, a decline of 6,609,075 pounds, or 2.31 per cent.

	1st 11 Mos. Cal. Yr. 1937		Increase or Decrease Quantity	Per Cent.
Cigars:				
Class A—				
United States	4,364,736,220	+	136,606,920	3.23
Puerto Rico	25,055,675	—	16,134,030	39.17
Philippine Islands	174,934,160	+	19,437,695	12.50
Total	4,564,726,055	+	139,910,585	3.16
Class B—				
United States	50,796,054	+	2,680,477	5.57
Puerto Rico	778,800	—	381,450	32.88
Philippine Islands	363,274	+	14,582	....
Total	51,938,128	+	2,313,609	4.66
Class C—				
United States	522,773,402	+	29,186,844	5.91
Puerto Rico	690,950	+	224,700	....
Philippine Islands	249,570	+	46,250	....
Total	523,713,922	+	29,457,794	5.96
Class D—				
United States	38,421,433	+	644,150	1.71
Puerto Rico	.....		.....	....
Philippine Islands	350,543	+	219,382	....
Total	38,771,976	+	863,532	2.28
Class E—				
United States	4,548,752	+	490,017	12.07
Puerto Rico	.....		.....	....
Philippine Islands	10,540	+	8,305	....
Total	4,559,292	+	498,322	12.27

	1st 11 Mos. Cal. Yr. 1937		Increase or Decrease Quantity	Per Cent.
Total All Classes:				
United States	4,981,275,861	+	169,608,408	3.52
Puerto Rico	26,525,425	—	16,290,780	38.05
Philippine Islands	175,908,087	+	19,726,214	12.63
Grand Total	5,183,709,373	+	173,043,842	3.45
Little Cigars:				
United States	187,932,344	+	20,431,052	12.20
Puerto Rico	1,506,680	—	475,720	24.00
Philippine Islands	.....		.....	....
Total	189,439,024	+	19,955,332	11.77
Cigarettes:				
United States	150,014,897,310	+	10,094,087,260	7.21
Puerto Rico	4,365,800	+	45,600	....
Philippine Islands	767,267	+	85,547	....
Total	150,020,030,377	+	10,094,218,407	7.21
Large Cigarettes:				
United States	2,837,659	+	584,948	25.97
Puerto Rico	292,500	—	93,500	24.22
Philippine Islands	3,832	+	3,832	....
Total	3,133,991	+	495,280	18.77
Snuff (lbs.):				
All United States	33,534,402	—	1,620,276	4.61
Tobacco Mfrd. (lbs.):				
United States	279,624,179	—	6,609,076	2.31
Philippine Islands	11	+	1	....
Total	279,624,190	—	6,609,075	2.31

GET-TOGETHER DINNER OF LEAF BOARD OF TRADE

ALL previous efforts were surpassed at the twelfth annual get-together dinner of the New York Tobacco Leaf Board of Trade, held in the grand ballroom of the Hotel New Yorker on Tuesday, December 7th. It was a social gathering in every sense of the word—seriousness was barred, beyond that type of serious thinking involved in the successful playing of bridge, pinochle and other games.

Among the out-of-towners noted were Harry S. Rothschild, Sam Grabosky, George Zifferblatt, Harry Wurman, Harry F. Pent, Milton Ranck, Ed Froehlich, Sam Fassler, Jerry Kohn, Barney Rappaport, Herbert Holzman, Bob Kamins, Nelson Shepard, John Brockman, J. Trezevant, H. R. Hitchcock, Emil Manus, C. Sarluy, A. Schaap and Albert Kaffenburgh, Sr. and Jr.

Every New York firm engaged in manufacturing cigars or handling leaf was represented with one or more members, among the notables being Joseph F. Cullman, Sr., John H. Duys, E. Kline, George Flatauer, Julius B. Lane, S. Herz, P. Polumbaum, Henry Fisher, Ralph Cole, Henry and Sidney Voice, Harley W. Jefferson, Jim Head, Julius Klorfein, Emil Popper, Sidney and Joseph Blum, Arthur Koppel, Willie Friedberg and Sam Adler.

UNEMPLOYMENT NOT ISSUE

Congressman Kopplemann declared that there is no foundation for a statement on the floor of the House by Congressman Clason, Republican, Massachusetts, that curtailing acreage under the farm bill would throw tobacco laborers in the Connecticut Valley out of work.

Mr. Kopplemann said he wired various tobacco leaders in the valley asking for their reactions to the statement.

"It is simply fantastic for anyone to say that there will be a loss to workers through passage of the bill," he said. "The farm bill proposes only for a continuation of controlled production under the existing AAA program."

Mr. Clason said, "if the acreage is cut down 20 per cent., then, as I see it, 20 per cent. of the labor will be thrown out of employment, making a serious situation throughout the summer and fall."

BENSON & HEDGES DIVIDENDS

The board of directors of Benson & Hedges on December 8 declared a dividend of $2.50 on the preferred stock. While the amount covered by the dividend represents less than half of the anticipated earning for fiscal year ending December 31, 1937, it was deemed advisable by the directors to retain the balance as working capital, to take care of the increased demands made necessary by the rapid growth and expansion of the various brands, especially Virginia Rounds.

TWO KLEIN DIVIDENDS

D. Emil Klein & Co., Inc., voted two quarterly payments of twenty-five cents a share each on the common stock, both payable December 24. These disbursements ordinarily would be paid on April 1 and July 1, 1938. On December 24 the usual quarterly dividend for the current quarter of twenty-five cents also will be paid. These distributions will bring total payments for the year to $1.50 a share, against $1.75 a year ago.

"BALANCE THE BUDGET!"

By B. G. Nebinger,

President, York County Cigar Mfrs. Assn.

A YEAR ago the index for business in general was on the upgrade. Quite a different picture now appears to those who will study the current business charts. Indeed, Business Week index shows that business conditions in general are twenty points lower now than last year at this time and about four points lower than the five-year average—1932 to 1936 inclusive.

One very desirable governmental action to inspire confidence at this time would be a balanced budget. I do not know that it can be done or how—but the old fashioned school of financial thought for the individual taught the inflexible rule that excess expenditure over income meant disaster, that immediate spending of anticipated income was the action of a fool or a knave, that borrowing with no plan for repayment was poor business, that gambling was an activity for gamblers and had no place in business or public affairs. This applies to a nation, as well as to the individual, and it is difficult, indeed, to reconcile these homely rudiments with the prevailing whirligig of government fiscal policies.

Last year more than two billion dollars went up in smoke. Revenue figures indicate that during the fiscal year ending June 30, 1937, the retail value of all tobacco products manufactured was approximately one-fourth or a half a billion dollars represented Federal tax. This is aside from state or local taxes on tobacco products. How does this compare with Federal tax on gasoline? Well, the total tax on gasoline plus the excise tax on new automobiles and trucks amounted in round numbers to 353 millions as compared to the 500 million dollar figure paid by smokers.

If one great need today is a balanced budget, perhaps the smokers yet may smoke the country into prosperity.

CIGAR MANUFACTURERS ANNUAL MEETING

The Cigar Manufacturers Association of America, Inc., announces that its luncheon and annual meeting will be held Friday, January 21, 1938, 12.15 P. M., at the Hotel Roosevelt, Forty-fifth Street and Madison Avenue, New York City. Invitations to the luncheon have been extended to every cigar manufacturer in the United States, or their duly accredited executive representatives. Immediately following the luncheon the members of the association will convene for the annual meeting, which will be confined to members only. Activities of the association, during the past year, will be reviewed, and policies for the future laid before the members.

NEW QUARTERS FOR MANILA AGENCY

Announcement is made of the removal of the New York headquarters of the Philippine Tobacco Agency to 220 West Forty-second Street. At this new address will be found Charlie Bond and his assistant, David F. Morris. It is an apparent sign of the times when this agency goes modern and locates itself in not only a convenient district but one in which many of the cigar manufacturers have offices. We feel pretty certain that the change in address is going to result in an increase in the distribution of Manila cigars.

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POPULAR LEADERS

By P. Lorillard Co.

REYNOLDS NAMES NEW EXECUTIVES

At a meeting of the directors of R. J. Reynolds Tobacco Company, held at the company's offices in Winston-Salem, December 23, Edward A. Darr was appointed sales manager of the company succeeding the late Carl W. Harris. He was also elected a member of the board of directors, filling the vacancy created by the death of Mr. Harris. Mr. Darr was formerly assistant sales manager and has been with the company since 1920.

At the same meeting John C. Whitaker was elected vice-president. Mr. Whitaker has been a member of the board of directors for some years and has served as manager of the employment department from its creation in 1919 along with his other important duties in company administration.

The directors also created the office of manager of the advertising department and appointed W. T. Smither to that office. Mr. Smither has been connected with the company since 1907 and for many years has been in charge of all of the company's advertising activities conducted from the home office.

OHIO 100 PER CENT. FAIR TRADE

The Tobacco Division of the Ohio Fair Trade Committee has announced that every important manufacturer of cigars and pipes has enrolled under the Ohio Fair Trade Act. There are at present 125 brands of cigars, 1 brand of cigarettes, 18 brands of pipes, and 5 brands of tobacco operating under the Ohio Fair Trade Act.

UNITED STATES TOBACCO COMPANY

Presents **PICK AND PAT**

Every Monday — C.B.S. — Coast-to-Coast you hear us say to our vast radio audience: "This program is presented by the United States Tobacco Company, Rockefeller Center, New York City, maker of many tobacco products of the highest grade, the most popular of which are known to you by such famous names as DILL'S BEST... MODEL... OLD BRIAR... COPENHAGEN... BRUTON... DEVOE... 'C. C.' and RED SEAL."

TOBACCO RETAILER ENJOINED

THE first injunction in the tobacco industry under the Feld-Crawford Act restraining a retailer from violating the Tobacco Fair Trade Contracts was obtained on December 15, 1937, by Hartman & Craven and Malcolm L. Fleischer, counsel to the Retail Tobacco Dealers of America, at the instance of one of its members. Siegfried F. Hartman stated that under the terms of the injunction, the defendant is permanently enjoined from violating any of the provisions of the Tobacco Fair Trade Contracts. Failure to obey the injunction constitutes contempt of court which is punishable by fine or imprisonment or both.

The violations which were the subject of the injunction are the only ones which have thus far been discovered in the metropolitan area by the New York Retail Tobacco Council, Inc. According to William A. Hollingsworth, president of the Retail Tobacco Dealers of America, uniform compliance with the Fair Trade Contracts has been due not only to the wholehearted co-operation of the legitimate retail dealers but also in no small measure to the militant educational and policing campaign instituted and carried on by the Council. Retailers are visited by investigators who hunt for violations, explain the significance of the Fair Trade Contracts and the penalties for violations. In the case of suspected violations shoppers immediately check up and, if necessary, obtain legal evidence for the purpose of prosecution.

Thus far the Council's Compliance Committee has met with great success. Continued co-operation by the retail dealers and vigorous enforcement of the Fair Trade Contracts by the Council will inevitably result in the stamping out of the "loss-leader" and other cut-throat practices.

CLEVELAND'S THIRD XMAS CAMPAIGN

The Cleveland Retail Cigar Dealers Association again had a successful "Cigars for Xmas" campaign. More than 3000 dealers in Cleveland displayed posters and cards in their windows in connection with this campaign. The street cars throughout the city carried the message "Cigars for him—the gift he'd choose for himself." This is the third successive year that Cleveland has had a "Cigars for Xmas" campaign. This year's committee was headed by C. H. Tiemann, assisted by S. L. Abrams, Dave Salzman and Ike Grossman.

BAYUK SALES INCREASE

In commenting on current business conditions, A. Joseph Newman, president of Bayuk Cigars, Inc., stated that his company had experienced no recession in demand for their products.

The months of September, October and November each showed a larger volume of sales than for any other like month in the history of the business, and orders indicated that December would also show the heaviest sales for that month in the company's history.

CAMEL CARAVAN TO CONTINUE

The Camel Caravan series will continue to be heard every Tuesday on the Columbia Network under the sponsorship of the R. J. Reynolds Tobacco Company, for Camel Cigarettes and Prince Albert Tobacco, through a contract renewal effective January 4, 1938. The program will be the same as currently scheduled—"Jack Okie's College" from 9:30 to 10 P. M., and Benny Goodman's "Swing School" from 10 to 10:30 P. M., E. S. T. William C. Esty Company is the agency.

TIBBETT IN NEW CHESTERFIELD SERIES

Lawrence Tibbett will be heard weekly with the Andre Kostelanetz orchestra in a new series inaugurated on the "Chesterfield Presents" program beginning Wednesday, December 29. The broadcasts will continue to be heard as currently, under the sponsorship of the Liggett & Myers Tobacco Company, for Chesterfield Cigarettes, every Wednesday from 9 to 9:30 P. M., E. S. T. Newell-Emmett Co., Inc., is the agency.

AMERICAN TOBACCO CO. JOINS A. N. A.

The American Tobacco Co., Inc., New York, N. Y., has been elected to membership in the Association of National Advertisers, Inc., according to an announcement made by that organization. Sherwood E. Silliman will represent the company in the A. N. A.

(*Continued from Page 9*)

An attraction that is bound to cause considerable comment is the exhibition of the "smallest baby in the world." What place this feature has on an N. A. T. D. convention-exhibit is not as yet made public but members of the convention board are leaving the purpose of this attraction in the dark until the convention.

A visit to the convention will solve this "mystery." Will the baby smoke a pipe? A cigar or cigarette? Or will he chew tobacco or eat candy? See these questions answered at the convention.

Tobacco Merchants' Association Registration Bureau, 341 Madison Ave. NEW YORK CITY

Schedule of Rates for Trade-Mark Services
Effective April 1, 1916

Registration,	(see Note A),	$5.00
Search,	(see Note B),	1.00
Transfer,		2.00
Duplicate Certificate,		2.00

Note A—An allowance of $2 will be made to members of the Tobacco Merchants' Association on each registration.

Note B—If a report on a search of a title necessitates the reporting of more than ten (10) titles, but less than twenty-one (21), an additional charge of One Dollar ($1.00) will be made. If it necessitates the reporting of more than twenty (20) titles, but less than thirty-one (31), an additional charge of Two Dollars ($2.00) will be made and so an additional charge of One Dollar ($1.00) will be made for every ten (10) additional titles necessarily reported.

NEW REGISTRATION

QUESTION MARK:—46,652. For all tobacco products. Registered by Oren Scotten, Grosse Pointe Park, Mich., on September 29, 1937.

RENEWAL REGISTRATION

TABARD INN:—46,653. For cigars, cigarettes and tobacco. Registered by G. W. Van Slyke & Horton, Inc., Kingston, N. Y., on December 3, 1937. (Originally registered on March 6, 1902, by American Litho. Co., New York, N. Y., who had transferred this trade-mark on April 30, 1902, to Lopez-Grau Co., New York, N. Y., predecessors of G. W. Van Slyke & Horton, Inc.)

TRANSFERRED REGISTRATIONS

DEMPSTER:—46,649 (Tobacco Merchants Association of the United States). For all tobacco products. Registered March 23, 1937, by Consolidated Litho. Corp., Brooklyn, N. Y. Transferred to Faber, Coe & Gregg, Inc., New York, N. Y., on November 26, 1937.

QUESTION OF QUALITY:—30,415 (Tobacco World). For cigars, cheroots and stogies. Registered September 16, 1914, by Hugo Duisberg, Philadelphia, Pa. Transferred to Oren Scotten, Grosse Pointe Park, Mich., on November 30, 1937.

ROY DU BAC:—37,912 (United Registration Bureau for the Tobacco Industries). For cigars, cigarettes and tobacco. Registered December 16, 1912, by Jeitles & Blumenthal, Ltd., Philadelphia, Pa. Transferred to Continental Cigar Corp., Scranton, Pa., and re-transferred to G. W. Van Slike & Horton, Inc., Kingston, N. Y., on November 20, 1937.

CHAMP CLARK:—24,048 (Trade-Mark Record). For cigars. Registered February 26, 1901, by Geo. Schlegel, New York, N. Y. Through mesne transfers acquired by The Chas. C. Thompson Cigar Co., Little Rock, Ark., and re-transferred to Star Thompson Tobacco Co., Tampa, Fla., on September 30, 1936.

EL PREDOMINO:—22,554 (U. S. Tobacco Journal). For cigars, cigarettes and cheroots. Registered May 10, 1900, by Calvert Litho. Co., Detroit, Mich. Transferred to S. Cohen & Bro., Chicago, Ill., and re-transferred by Louis M. Cohen, Chicago, Ill., successor to S. Cohen & Bro., to Barney Beachkofsky, Chicago, Ill., on September 27, 1937.

OUR HIGH-GRADE NON-EVAPORATING
CIGAR FLAVORS
Make tobacco mellow and smooth in character and impart a most palatable flavor
FLAVORS FOR SMOKING and CHEWING TOBACCO
Write for List of Flavors for Special Brands
RETUN, AROMATIZER, BOX FLAVORS, PASTE SWEETENERS
FRIES & BRO., 92 Reade Street, New York

"A business that isn't worth advertising ought to be advertised for sale".

Classified Column

The rate for this column is three cents (3c.) a word, with a minimum charge of seventy-five cents (75c.) payable strictly in advance.

POSITION WANTED

CIGAR SALESMAN COVERING EASTERN PENNSYLVANIA and Local Territory desires connection. Large following. Address Box No. 580, "The Tobacco World."

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Executive Committee—Alvaro M. Garcia (Ex-officio), Thomas C. Breen, Harley W. Jefferson, D. Emil Klein, Walter E. Popper, Harry S. Rothschild, and Arthur A. Schwarz.

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In This Issue

A THOUSAND GUESTS ATTEND THE SIXTH ANNUAL BANQUET OF N. A. T. D. AT COMMODORE

CIGARS AND CIGARETTES DECLINE IN DECEMBER 1937 AS COMPARED WITH DECEMBER 1936 OUTPUT

CIGARS GAINED IN EVERY CLASS IN THE CALENDAR YEAR OF 1937 CIGARETTES UP 9,500,000,000

DEPT. OF COMMERCE REPORTS ON FOREIGN TOBACCO MARKETS

THE TALK OF THE TRADE

Chesterfields satisfy millions

They'll give you MORE PLEASURE

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HOBART B. HANKINS—*Editor* *Associate Editor*—JOHN CLEARY

THE TOBACCO WORLD

Vol. 58 FEBRUARY, 1938 No. 2

IN THE month of December, 1937, all classes of cigars withdrawn for consumption in the United States declined as compared with the figures for December, 1936. The largest recessions were in Classes A and C. The former was off more than 24,000,000 or 7.75 per cent. while the latter registered a loss of nearly 10,500,000 or 20.86 per cent. Cigarettes showed a decrease of 634,900,000 equivalent to 4.79 per cent. Manufactured tobacco was less by 2,000,000 pounds or 8.8 per cent., than in December, 1936. Snuff, however, was up almost 455,000 pounds to register a gain of almost 15½ per cent. This was a splendid recovery for snuff, so that the decline in the calendar year for this product was held to 2.8 per cent.

▲

INTERNAL Revenue collections from tobacco industry sources for December 1937 reflect the poor showing made by withdrawals of tobacco products for that month. Cigarettes which paid taxes of $37,834,133 were less by more than $1,900,000 than in December of 1936 when that branch of the industry paid $39,738,000. The cigar industry paid $863,280 which was a drop of nearly $92,000. Smoking and chewing tobacco contributed $3,834,000, a slump representing something more than $372,000. Cigarette papers and tubes returned taxes in the amount of $82,842 which is about $4600 less than December, 1936. On the other hand snuff which paid $612,000 in December, 1937, contributed $82,000 more than in December, 1936.

These figures indicate that four out of the five branches of the tobacco business paid $2,368,000 less in December of 1937 than in December of 1936. If we credit the gain in snuff this cuts the comparative tax loss to $2,286,000 which is a lot of money to lose, anyway you figure it.

▲

THE figures for the calendar year of 1937 tell a different story however, despite the poor showing of the month of December. For the entire year cigars produced in the United States gained in every class compared with the 1936 output. Class A gained more than 112,000,000 or about 2½ per cent. Class B increased more than 2,500,000 or 4¾ per cent. while Class C withdrawals were up more than 18,000,000 or nearly 3½ per cent. Class D was up more than 1 per cent. while Class E improved 7.9 per cent.

Little cigars shared in the prosperity and increased their business more than 11 per cent. This is an encouraging feature of the calendar year report despite the fact that in December, 1937, withdrawals of little cigars were nearly 20,000,000 less than in December, 1936.

Cigarettes came through the year with a gain approaching 9,500,000,000 to register a growth of more than 6 per cent. although in the month of December, 1937, withdrawals declined 635,000,000 compared with the 1936 figures for December.

Manufactured tobacco was off for the year by 8,665,290 pounds, a recession of 2.8 per cent. For the twelve months of 1937 snuff also decreased in use by more than 1,000,000 pounds, a loss of more than 3 per cent. With the exception of these two tobacco products, the industry as a whole has nothing to complain about so far as 1937 is concerned.

Last year's record is something for the tobacco business to shoot at in 1938 and we hope that when the twelve months' record is complete that it will be as gratifying as that of 1937.

▲

MEMBERS of the National Association of Tobacco Distributors, their wives and guests totalling almost a thousand persons, sat down at the sixth annual banquet of this organization, held at the Hotel Commodore in New York City on Saturday night, January 22d. It was a grand affair from cocktails to coffee—and then some.

Joe Kolodny did his stuff as usual with a variety show that tickled the eyes and the ears. He induced Brown & Williamson to contribute Tommy Dorsey and his orchestra; Philip Morris & Co. to send along "Johnnie," who presented Russ Morgan's orchestra, as well as Charles Martin who radioes "Front Page News." And the Universal Match Corporation added Chaz Chase to round out a most delightful entertainment program.

There is one important fact to be kept in mind and which should not be forgotten by those who attend the annual conventions of tobacco trade associations, regardless of whether these organizations are large or small. The tobacco business should have a breathing spell. The fact that the industry does pay high taxes is no reason at all that it should be picked upon to supply additional revenue to sustain an administration that is spending on anticipated income far beyond the actual returns.

Only today in our small borough we received notice that it is proposed to increase taxes 30 per cent. And we are wondering just how we are going to get this straightened out.

We have an idea that the successor to the present dictatorship is going to have what we used to call in boyhood days "tough sledding." The salve on the greeting, "My Friends," is slowly but surely melting away not only among those who must definitely work for a living, but also among those whose business investments are far below par and still losing ground.

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CIGARETTE smoking in the British Empire has been increasing steadily and enormously in recent years but that does not mean that pipe smoking has suffered in that country. On the contrary the president of the Briar Pipe Trade Association points out that in 1935 manufacturers of British briar pipes produced 5,592,000 which was an increase of 12 per cent. over 1934. Alfred Dunhill in a letter to the London "Times" points out that in the 1934-1937 period his pipe sales increased 50 per cent. The president of the Briar Pipe Trade Association, Louis Chapuis, supports Mr. Dunhill's statement by saying that the Association's records shows that briar pipe sales among the membership are up at least 50 per cent. and are still rising. All of the English pipe manufacturers are still working to capacity and at present there is no indication of any decline in orders.

▲

AMONG the many highlights resulting from the National Association of Tobacco Distributors' recent Convention which convened at the Commodore Hotel in New York City, comes the announcement of the formation of a ladies' club. The "N.A.T.D. Club for Women," was created as a result of a get-together in which a number of women took part. While out on a round of entertainment as the guests of the N.A.T.D., the women met and the Club got its official start.

Those elected to office were Mrs. J. C. Newman of Cleveland, Ohio, President; Mrs. S. Bloomenstein, Vineland, New Jersey, Vice-President; Mrs. Myron Benzion, Chicago, Ill., Secretary and Treasurer, and Mrs. Fred H. Elsner, Chicago, Ill., Co-Secretary.

The other members of the group include Mrs. Irven Moss, Trenton, N. J.; Mrs. D. Gross, Buffalo, N. Y.; Mrs. O. B. McIntosh, Syracuse, N. Y.; Mrs. Milton J. Benjamin, Brooklyn, N. Y.; Mrs. Stanley Wasserman and Mrs. Samuel Wasserman, Brooklyn, N. Y.; Mrs. Herman A. Oriel, Bronx, N. Y.; Mrs. H. H. Brenner, Harrisburg, Pa.; Mrs. H. G. Hall, Erie, Pa.; Mrs. L. M. Cooper, Lancaster, Pa.; Mrs. Max Temkin, Providence, R. I.; Mrs. Arthur Bernd, Danbury, Conn.; Mrs. A. Cozzolino, Hamden, Conn.; Mrs. Chas. Eden, W. Hartford, Conn.; Mrs. Ludwig Mann, New London, Conn.; Mrs. Harry Gelb, Glenbrook, Conn.; Mrs. Woodman Martinez, Ansonia, Conn.; Mrs. Jack Kelman, Hartford, Conn.; Mrs. Chas. Kursman, Bridgeport, Conn.; Mrs. Alex H. Lord, Seaford, Del.; Mrs. A. Pines, Chicago, Ill.; Mrs. J. F. Bambas, Des Plaines, Ill.; Mrs. E. W. Harris, Indianapolis, Ind.; Mrs. J. Renz Edwards, Kansas City, Kans.; Mrs. G. E. Ferrell, Waterville, Me.; Mrs. P. F. Griffin, Lewiston, Me.; Mrs. Luther B. Sleet, Chevy Chase, Md.; Mrs. N. Alpert, Fall River, Mass.; Mrs. E. J. Finn, Northampton, Mass.; Mrs. Peter Kramer, Jr., Everett, Mass.; Mrs. Peter Kramer, Sr., Everett, Mass.; Mrs. W. J. Brockmeyer, St. Louis, Mo., and Mrs. E. H. Stewart, St. Joseph, Mo.

Charter membership, it was announced, is still open to the female members of manufacturers and wholesalers and salesmen connected with the tobacco industry. Information regarding the Club may be had by addressing queries to Mrs. Myron Benzion, 674 Irving Park Road, Chicago, Illinois, the Secretary of the N.A.T.D. Club for Women.

FAIR trade agreements were endorsed in principle by an almost unanimous vote at the sixth annual convention of the National Association of Tobacco Distributors, who enthusiastically denounced the "chiseling fringe."

Permeating the entire convention of tobacco products jobbers and wholesalers was a feeling of resentment against those who were allegedly guilty of price discriminations. The value of trade agreements was the theme of virtually all speakers. Eliciting special interest was a report on the Ohio fair trade situation by Bert Cunningham, Hanley-Strauss Company, Cleveland.

It was after Mr. Cunningham's account of the results obtained in Ohio that the convention endorsed the following:

"Be it resolved that the manufacturers of branded tobacco products be, and they are hereby, urged to enter into fair trade contracts, to the extent permitted by law, stipulating the prices below which their respective products should not be sold at wholesale."

When it was revealed that Ohio is the only state where tobacco manufacturers have, to any extent, signed fair trade contracts, plans were laid for militant action. The withdrawal of "unsigned" merchandise from counter display by the retailers was cited as the most potentially effective weapon in "bringing the manufacturers into line." General Cigar Company was said to be the only company which has signed contracts in all states where it is permitted by law.

▲

AVERY important victory for the cause of fair trade, was the result of a unanimous decision in January, 1938, by the Appellate Division Court of New York State.

While it was the professed opinion of the legal experts on the Fair Trade Laws that a retailer, injured by the unfair practices of a competitor who violated the Fair Trade Law, could invoke the process of the Courts against the violator, this is the first time that a court of appellate jurisdiction has passed on the question.

The New York Court declared that the New York State Fair Trade Law is identical with others in forty-one States and that such acts have been upheld by the United States Supreme Court. In interpreting the language of the act, the Court held that the word "distributor" entitled the retailer to invoke the act.

The importance of this decision lies in the fact that it will enable the retailers to assist and co-operate in the enforcement of the Fair Trade Laws. It is now clearly established that retailers as well as manufacturers can enjoin violation of resale price maintenance contracts.

ITALY SENDS PLUG TOBACCO TO GERMANY

A news dispatch from Bremen states that German tobacco chewers are turning to Italian plug to replace Kentucky twist. A first shipment of 600 bales from the Italian tobacco monopoly has arrived there and is being advertised as "Just as good as the American stuff," which importers say is difficult to obtain because of exchange restrictions.

Cigars are the most pleasurable and economical form of smoking.

BAYUK BULLETIN

Devoted to the best interests of the men who sell cigars.

First Issued 1929 **FEBRUARY, 1938** *Prepared twice a month*

PHULOFAX
(The Retailer's Friend)
SAYS

Phil thanks each and every one who sent him a Christmas or a New Year card . . . Man, Phil sure got a bunch of well wishes, and reciprocates a thousand times with gratefulness and appreciation.

—o—

"'No better gift than cigars' should serve as a slogan to the entire cigar industry . . . It can be made as popular as 'Say It With Flowers' "—so reads portion of letter from one who has the cigar business at heart.

—o—

"I've made written notes of some of the sales stunts I used to boost Christmas business this year, and will file this information for careful consideration when preparing for Christmas 1938"—foregoing from a "fond Bayuk Bulletin reader" in New York State.

—o—

You're bound to break the resolution you don't care whether you keep or not, but why did you make it then?

—o—

Get busy on the left-over merchandise you purchased to "sell during the holidays" . . . don't put off making a decision, but don't let that decision be to "forget it".

—o—

If you get that introductory order in January, you have 11 months to get the duplicate orders . . . if you get the introductory order in February, you have 10 months to get the duplicate orders. The later you get the introductory order, the less your duplicate orders for the year! January is the month to get increases!!

—o—

The latest and most dastardly disease is JITTER-E-TIS, the first symptom being that you cannot see the Sun of Opportunity because of your Dark Glasses of Despair. Don't get the Jitters—and you can only get jitters from yourself!

—o—

"It was the best sales meeting I ever attended in my life . . . I got plenty of pointers and I'm going to show my House that I did cash in on what I learned", said he—and Phil says, "That's fine—go to it!"

—o—

Frank Trufax remarks that "Success is the approving voice of your own Conscience that whispers, 'You put it over right'".

—o—

The past should have helped you . . . the Future may help you, but only the Present *will* help you.

—o—

Sell Cigars By the Box ! ! !

Phil M. Phulofax D. B. I.

**Associated with* BAYUK CIGARS INC., *Philadelphia — Makers of fine cigars since 1897.*

"SALES-DOGGLING"
or How Not to Sell—No. 19

There are two sides to every question — and a "heads and tails" on every nickel. If there is a psychology of selling, there is just as surely a psychology of not-selling. In this little drama we see Otto Noebetter in one of his most masterly demonstrations of how not to sell.

BOOKKEEPER: Gee, Otto, you don't look so hot this morning. What's wrong?

OTTO: I feel all right . . . what's eating you?

BOOKKEEPER: Gad, man, you look pale . . . have you got a headache?

OTTO: Come to think of it, I have a slight headache!

BOOKKEEPER: How's your pulse? Do you feel unusually warm? Have you got a fever?

OTTO: I do feel a little feverish and I believe my throat is a little sore when I swallow . . . guess I am sick!

BOOKKEEPER: Ha! Ha! Ha! I was just kidding you, Otto. I never saw you look better in my life.

OTTO: What's the big idea, you numbskull?

BOOKKEEPER: Oh, I was just trying out an experiment, Otto, that one can actually effect the physical feeling of a person by building up a bad mental condition in that person.

OTTO: And so what?

BOOKKEEPER: Oh, nothing, Otto, but I was thinking how the right mental attitude can be helpful to us, and how a bad mental attitude can be harmful to us. I don't mean merely as pertaining to our health but as relating to every endeavor we attempt, and to every contact which we make.

OTTO: My own personal mental attitude towards you forces me to say that you are plumb nuts. Suppose you believe the right mental attitude towards getting an order guarantees you'll get the order?

BOOKKEEPER: No, I don't think the belief that you'll get the order will GUARANTEE the order, but I DO know that you stand a better chance of getting an order if you have the right belief that you will. At least, you're no worse off by talking up the order on the basis of belief that you are entitled to the order, and that you are going to get the order.

OTTO: Listen, ink-slinger — let me tell you something. You better keep out of the woods or the squirrels will eat you up!

BOOKKEEPER: Well, Otto, let's take a concrete case. Did you sell Frank Jones that cigar deal last week?

OTTO: No, I didn't and you know I didn't.

BOOKKEEPER: Why didn't you, Otto?

OTTO: I didn't sell him because he wouldn't buy . . . that's all there is to it. I told you in the office the day I called on him that I positively knew the old crab wouldn't buy. I was sure of it and I was right!

BOOKKEEPER: If you were sure he wouldn't buy, why did you waste time calling on him?

OTTO: I had to call on him anyhow, but I also wanted to prove to you smart ginks, and to myself, that he wouldn't buy.

BOOKKEEPER: Good gosh, Otto, in that mental attitude had you sold him it would have been an accident. Remember this—you can't sell anything to anyone else until you FIRST SELL YOURSELF, and that is as true as two and two are four.

OTTO: Do you mean to say that cracked-brained, idiotic formula will work every time?

BOOKKEEPER: No, it won't and it's a dog-gone good thing it won't. If it did, we'd be so full of conceit that if a guy stuck us with a pin we'd bust, but it'll work often enough to justify working it all the time. Your mental attitude must not be that you are going to "try" to sell a man. You must actually and truthfully feel that you are GOING to sell him. BUT you must possess the right reasoning as to why you have a right to know you WILL SELL HIM! Incidentally, Otto, your fellow salesman, Leo Fasten, said he was GOING TO SELL that cigar deal to Frank Jones.

OTTO: Cripes, that pet supersalesman of yours says a lot of things. But — did he sell him? That's the point!

BOOKKEEPER: Yes he did, and here's the order.

OTTO: Yeah, I see it but what did his saying he was going to sell Frank Jones have to do with his actually selling him?

BOOKKEEPER: You told me that you positively knew that Jones wouldn't buy, and you didn't sell him. Leo told me he was going to sell Jones and he did. Form your own conclusion, Otto.

By the way, did you get that check from Howard Smith?

OTTO: I didn't ask him for it yesterday, because I knew he wouldn't pay up until next week.

BOOKKEEPER: Okay, Otto, okay — his check in full was in this morning's mail!

Phillies
(BAYUK PHILADELPHIA PERFECTO)
Havana Ribbon
Mapacuba
Charles Thomson
Prince Hamlet
BAYUK BRANDS BUILD BUSINESS

TIGHT BINDING

A Thousand Guests at N. A. T. D. Dinner

There Was No Speakers' Table But There Was

A Galaxy of Stars To Entertain

THE BANQUET which climaxed the Sixth Annual Convention of the National Association of Tobacco Distributors held at the Hotel Commodore in New York City, on Saturday night, January 22nd, brought to an end in a brilliant manner the meeting of that organization which had been discussing and solving some of the trade problems during their sessions which began on January 19th. Our statistically-minded representative states that there were 956 persons seated at the tables which number included the members, wives, business associates and friends. Ninety-nine tables were set up in the Grand Ballroom and they were almost completely filled. All branches of the industry were well represented.

There were no speakers set apart, and no one guest table, but there was a theatrical performance, and a vaudeville and variety show that tickled the eyes and the ears, with Milton Douglas, star of stage and radio, as master of ceremonies.

The entertainment program included Eddie Carr, featured at the Paramount; Calgary Brothers from the International Casino Show; Sugar Nichols, movie juvenile star; Millie & Billie; Big Apple Dancers featuring the "Big Apple"; Sasha Leonoff, Russian singer and accordion virtuoso, and Harold Kahn and his Society Orchestra.

In addition there were the following guest Artists: Tommy Dorsey and his orchestra, by courtesy of Brown & Williamson Tobacco Co.; "Johnnie" and Russ Morgan's orchestra from the Philip Morris & Co. radio program; Charles Martin, who does "Front Page News" on the air; and Chaz Chase, star of stage and screen, who was presented through the courtesy of the Universal Match Corp.

Among those present at the banquet were:

A

Mr. S. L. Abrams, Mr. and Mrs. Ernest Abramson, Mr. and Mrs. John Abramson, Mr. and Mrs. Leonard Abramson, Mr. and Mrs. Samuel Abramson, Mr. and Mrs. W. Spaulding Alberts, Mr. Dean Alfange, Mr. H. E. Allmang, Mr. and Mrs. Morris Alpert, American Chicle Co., American Cigarette and Cigar Co., Inc., American Tobacco Co., American Safety Razor Corp., Mr. and Mrs. S. Andreoli, Arenco Machine Co., Inc., Mr. Milhem Attea, Axton-Fisher Tobacco Co.

B

Bachman Bros., Inc., Mr. J. D. Baker, Mr. and Mrs. J. F. Bambas, Mrs. A. E. Barber, Bayuk Cigars, Inc., Mr. George Beach, Mr. N. D. Beaumel, Beech-Nut Packing Co., Inc., Mr. and Mrs. M. J. Benjamin, Benson & Hedges, Mr. and Mrs. M. W. Benzion, Mr. Herman Bercu and Guest, Mr. and Mrs. Arthur E. Bernd and Guest, Mr. Henry Bernd, Miss Helen Berger, Mr. M. J. Birnberg, Mr. Lloyd K. Black, Mr. and Mrs. C. H. Blackwell, Mr. Frank Blatt, Miss Miriam Blatt, Mr. and Mrs. S. Bloomenstein, Mr. and Mrs. L. Blumberg, Mr. Samuel Blumberg, Mrs. M. Branower, Brown & Williamson Tobacco Co., Mr. Harry V. Buck, T. E. Brooks & Co.

C

Mr. and Mrs. John Campion, Miss Gertrude Citron Berger, Mr. A. H. Cohen, Mr. I. W. Cohen, Mr. and Mrs. Jack G. Cohen, Mr. and Mrs. Samuel R. Cohen, Congress Cigar Co., Consolidated Cigar Corp., Mr. and Mrs. Thos. M. Connor, Continental Briar Pipe Co., A. B. Cunningham Co., Custiss Candy Co., Mr. Conners.

D

Mr. E. A. Darr, Mr. Allan C. Davis, Mrs. Allan C. Davis, Mr. E. Asbury Davis, Mr. C. S. Dearstyne, Mr. Edmund C. Dearstyne, Mr. and Mrs. J. E. Dearstyne, Mr. and Mrs. W. E. Dearstyne, Mr. A. W. DeBirny, Deisel-Wemmer-Gilbert Corp., Diamond Match Co., Mr. Thomas J. Dowd, Mr. Charles Dushkind.

E

Mr. and Mrs. Chas. Eden, Mr. J. Renz Edwards, Miss F. A. Evans.

F

Federal Match Corp., Mr. and Mrs. G. E. Ferrell, Mr. and Mrs. D. G. Ferrone, Mrs. Bertha Finkle, Mr. Chas. Finkle, Mr. Harry Finkle, Mr. and Mrs. Edward J. Finn, Mr. and Mrs. F. A. Fischer, E. G. Foden Co., Mr. Harry Francke, The S. Frider & Sons Co., Mr. and Mrs. Max Friedberg, Mr. Arnold Fruitman, Mr. Sully Fruitman, Mr. Friedman, Mr. Fiorita.

G

Mr. Alvaro Garcia, Garcia Grande Cigars, Inc., Mr. and Mrs. Harry Gelb, General Cigar Co., Inc., Mr. H. E. Gerckin, G. H. P. Cigar Co., Gillette Safety Razor Co., Mr. and Mrs. B. I. Gold, Mr. and Mrs. Joseph Goldberg, Miss Lucille Goldberg, Mr. and Mrs. Philip Gordesky, Miss B. Gould, Mrs. D. S. Green, Mr. and Mrs. R. Z. Greene, Mr. Albert Gregg, Mr. and Mrs. M. Griestorf, Mr. and Mrs. P. F. Griffin, Mr. and Mrs. David Gross, Mr. George Gross, Mr. Sam Grossman, Miss Marie Guerrieri, Mr. and Mrs. Philip Guerrieri, Mr. Henry Gunst, Mr. M. Gustat.

H

Mr. E. B. Hall, Mr. and Mrs. Harold G. Hall, Mr. Hobart Hankins, Mr. and Mrs. Emil Harms, Mr. Claude Harrison and Guest, Mr. Edmund A. Harvey, Mr. S. R. Haskin, Mr. Julian Hast, Miss Bella Heitt, Miss Hershberg, Mr. George W. Hill, Mr. Wm. A. Hollingsworth, Mr. P. V. Hoyle and Guest, Mr. and Mrs. Benj. Hurvitz, Mr. Myron Heller.

J

Mr. J. F. Jarboe, Mr. and Mrs. F. W. Jeanfield, Mr. Roy Johnson, Mr. and Mrs. Milton Just.

K

Mr. Albert L. Kaufman, Kaufmann Bros. & Bondy, Mr. Ery Kehaya, Mr. H. A. Kent, Mr. M. P. King, D. Emil Klein Co., Mr. E. A. Kline, Miss Berenice Kolodny, Mr. Harry Kolodny, Mr. and Mrs. H. Kolodny, Mr. Joseph Kolodny, Mrs. Joseph Kolodny, Mr. and Mrs. Max Kolodny, Mr. and Mrs. Sol Kolodny, Mr. and Mrs. Peter Kramer, Jr., Mr. and Mrs. Peter Kramer, Sr., Mr. and Mrs. R. C. Kramer, Mr. and Mrs. C. Kursman, Mr. George Kustas.

L

Mr. and Mrs. Lagonegro, Mr. J. E. Laidlaw, Larus & Bros. Co., Inc., Mr. Louis Legare, Mr. E. M. Lewis, Liggett & Myers Tobacco Co., M. Linkman & Co., Lion Match Co., Mr. and Mrs. David Lipson, Mr. and Mrs. M. B. Loovis, P. Lorillard Co., Inc., Mr. Phil Lottman and Guest, Mr. Nate Lieben, Mr. and Mrs. Lewis.

M

Mrs. Ludwig Mann, Mr. Max A. Marks, Mars, Inc., Mr. and Mrs. Woodman Martinez, Mr. S. W. Mathews, Mr. and Mrs. B. Mednikoff, Mr. and Mrs. Louis Mehl, Mr. Ben Merdek, Mr. Joe Merdek, Metropolitan Tobacco Co., Mr. Lew H. Millbauer, Mr. Sylvian Mirsky, Mr. and Mrs. B. Misrock, M. & N. Cigar Mfrs., Inc., Mr. A. A. Montebello, Mr. H. D. Morris, Philip Morris & Co., Ltd., Mr. and Mrs. Irven Moss.

N

Mr. V. H. Nalbandian, National Vendors, Inc., Mr. Nathan Neiman, New Jersey Tobacco Co., Mr. A. Joseph Newman, Mr. N. E. Nichols.

O

Ohio Match Sales Co., Mr. Fred E. Owens.

P

Mr. Moe Packer, Parodi Cigar Co. of N. Y., Inc., Mr. Harry Patrey and Guest, Mr. and Mrs. C. M. Patton, Penlo Cigar Co., Inc., Christian Peper Tobacco Co., Miss Marie Perry, Harry Phillips and Guest, Mr. and Mrs. Albert Pines, Mr. Bernard Pines, Mr. Henry Pinney and Guests, E. Popper & Co., Inc., Mr. and Mrs. P. Price.

Q

Mrs. Quint.

R

E. Regensburg & Sons, Mr. Isaac Regensburg, Mr. and Mrs. Requard, Mr. Morris Resnick, Reynolds Metals Co., Mr. Vincent R. Riggio, Mr. and Mrs. Robinson, Rockwood & Co., Mr. and Mrs. Rose, Mr. Jack R. Rosenberg, Mr. Abe Rosenblum and Guests, Mr. Morris Rosenberg, Mr. and Mrs. Max Rothman, Miss Shirley Rothman.

S

San-Man Chocolates Co., Mr. A. R. Scheidt and Guest, Mr. Paul Schleissner and Guest, Mr. Arthur F. Schultz, Mr. Carl E. Schultz, Mr. Alex Schwartz, Mr. Jesse Schwartz, Mr. and Mrs. Louis Seeger, Segal Safety Razor Corp., Mr. and Mrs. Albert C. Seifert, Mr. Louis M. Shack, Mrs. T. C. Shulick, Mr. Wm. Silverman, Mr. Henry J. Slavin, Mr. and Mrs. Smith, Stephano Bros., L. & H. Stern, Inc., Stewart & MrGuire, Inc., Mr. and Mrs. R. Barrett Sydnor.

T

Mr. and Mrs. M. Temkin, Miss M. Temkin, Mr. C. H. Tiemann, Mr. G. M. Thompson, R. R. Tobin Tobacco Co., Mrs. E. Tubin.

(Continued on Page 11)

"I AM ONE OF THE MILLIONS WHO PREFER CAMELS" SAYS RALPH GREENLEAF

WORLD'S CHAMPION IN POCKET BILLIARDS

"HEALTHY NERVES ARE A MUST WITH ME!"

FOURTEEN different times the news headlines have flashed: RALPH GREENLEAF WINS WORLD'S CHAMPIONSHIP. He is cool under fire. Sometimes pulling from behind with brilliant runs of 59 and 76 to win the title.

"Even before I won my first big championship, I'd picked Camel as my cigarette," said Ralph in a special interview during his recent championship play in Philadelphia. "I'd say the most important rule in this game is to have healthy nerves. It pays to be sure of the mildness of your cigarette. And on that score, I think, Camels have a lot extra to offer. One of the main reasons why I've stuck to Camel cigarettes for twenty years is—they don't ruffle my nerves."

And America as a nation shows the same preference for finer tobaccos that Ralph Greenleaf does! Camels are the largest-selling cigarette in America

Fencing experts, too, appreciate Camel's finer tobaccos. As BELA DE TUSCAN, the famous instructor, says: "It's such a pleasure to smoke Camels. The fast action in fencing is very tiring, and I welcome the quick 'lift' I get with a Camel."

"The way these light boats bounce around is enough to knock the daylights out of my digestion! Camels help my digestion to keep on an even keel," says MULFORD SCULL, veteran outboard motorboat racer.

HE IS COUNTED THE GREATEST POCKET-BILLIARD PLAYER OF ALL TIME. Here Greenleaf executes a difficult massé shot, requiring split-hair accuracy, faultless stroking, and healthy nerves. And the world's two famous masters of the cue—Ralph Greenleaf and the 18.1 balkline billiard champion, Willie Hoppe—are both Camel smokers. In fact, as Greenleaf says: "I can almost guess what a good player smokes. It's Camels! They give mildness a new meaning."

A matchless blend of finer, MORE EXPENSIVE TOBACCOS—Turkish and Domestic.

Copyright, 1938, R. J. Reynolds Tobacco Co., Winston-Salem, N. C.

Tobacco Products Off in December

Snuff is the Only Tobacco Product Made in the United States to Show Gain in the Final Month of the Past Year

CIGAR withdrawals in the United States for the month of December, 1937, showed a decline in all classes as compared with December of 1936. Little cigars fell off, smoking tobacco lost ground and cigarettes also failed to maintain their December, 1936, output. Snuff, as mentioned elsewhere, had a very good month in December and made a splendid increase according to the figures furnished by the Tobacco Merchants Association. Large cigarettes also improved their output as compared with a year ago by more than 3.5 per cent.

The total production for all classes for the month of December was 336,161,499, a loss of more than 35,000,000 as against the December, 1936, output. This is a falling off of nearly 9½ per cent. for large cigars.

In Class A, by far the largest classification, production was off 7.75 per cent. and in the number of cigars this amounted to 24,232,000. This is a surprising decline for merchandise in this price bracket particularly as the report for the calendar year which of course includes December, shows an increase of more than 112,000,000, equivalent to a gain of almost 2½ per cent.

Class B cigars, of which fewer than 5,000,000 were withdrawn, slumped more than 3¼ per cent. The total number reported for December, 1937, was 4,774,063.

The Class C smokers must have done their Christmas shopping early as the December figures are less by nearly 10,500,000 than in December of the previous year. In percentage this amounts to a decrease of 20.86 per cent.

Little cigars joined the procession and were less by more than 5 per cent. as compared with December, 1936. However it will be shown in the statistics for the calendar year that this division did remarkably well.

Cigars in Class D which were withdrawn in the amount of 2,765,000 showed a decrease of more than 100,000 as compared with December, 1936. The loss was 3.81 per cent.

Class E cigars fell off more than 19 per cent. The December output was more than 505,000 but the loss compared with the previous December was more than 120,000.

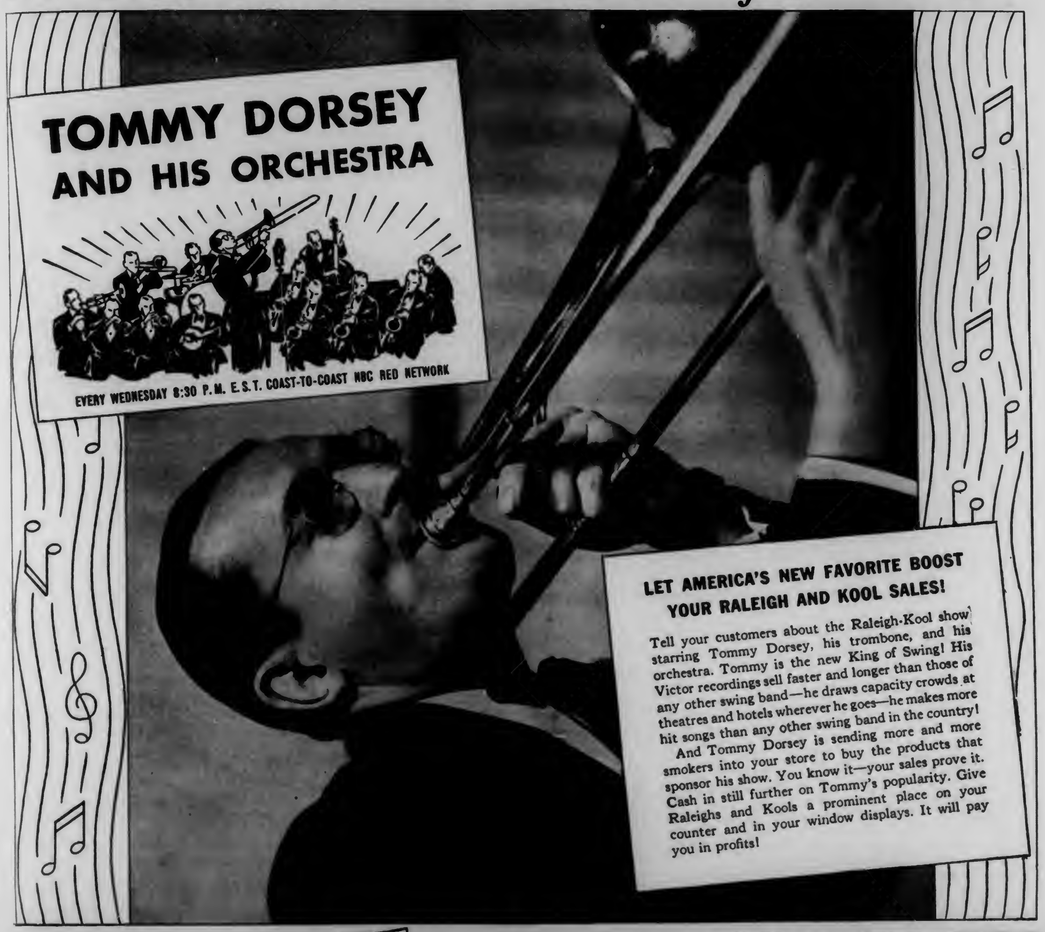
Manufactured tobacco, which includes the various classifications under this title, declined by more than 2,000,000 pounds in December, 1937, when compared with the December, 1936, output.

(*Continued on page 13*)

	December, 1937		Increase or Decrease Quantity	Per Cent.
Cigars:				
Class A—				
United States	288,485,495	—	24,231,840	7.75
Puerto Rico	156,550	—	3,500,200	....
Philippine Islands	13,922,575	+	5,564,895	66.58
Total	302,564,620	—	22,167,145	6.83
Class B—				
United States	4,774,063	—	162,437	3.29
Puerto Rico	2,950	—	20,500	....
Philippine Islands	7,216	+	4,253	....
Total	4,784,229	—	178,684	3.60
Class C—				
United States	39,631,002	—	10,445,878	20.86
Puerto Rico	57,450	+	18,700	....
Philippine Islands	29,376	+	14,960	....
Total	39,717,828	—	10,412,218	20.77
Class D—				
United States	2,765,271	—	109,504	3.81
Puerto Rico	.....	—	600	....
Philippine Islands	37,520	+	36,900	....
Total	2,802,791	—	73,204	2.55
Class E—				
United States	505,668	—	120,140	19.20
Puerto Rico	.....		.....	....
Philippine Islands	10	+	10	....
Total	505,678	—	120,130	19.20

	December, 1937		Increase or Decrease Quantity	Per Cent.
Total All Classes:				
United States	336,161,499	—	35,069,799	9.45
Puerto Rico	216,950	—	3,502,600	94.17
Philippine Islands	13,996,697	+	5,621,018	67.11
Grand Total	350,375,146	—	32,951,381	8.60
Little Cigars:				
United States	10,957,666	—	595,264	5.15
Puerto Rico	.....	—	160,000	....
Philippine Islands	.....		.....	....
Total	10,957,666	—	755,264	6.45
Cigarettes:				
United States	12,610,618,153	—	634,907,890	4.79
Puerto Rico	509,720	+	189,520	....
Philippine Islands	101,810	—	40,490	....
Total	12,611,229,683	—	634,758,860	4.79
Large Cigarettes:				
United States	235,291	+	8,145	3.59
Puerto Rico	20,000		.....	....
Philippine Islands	.....		.....	....
Total	255,291	+	8,145	3.30
Snuff (lbs.):				
All United States	3,399,738	+	454,460	15.43
Tobacco Mfrd. (lbs.):				
United States	21,300,061	—	2,056,214	8.80
Philippine Islands	.....		.....	....
Total	21,300,061	—	2,056,214	8.80

RADIO'S NEW KING *of* SWING



LET AMERICA'S NEW FAVORITE BOOST YOUR RALEIGH AND KOOL SALES!

Tell your customers about the Raleigh-Kool show starring Tommy Dorsey, his trombone, and his orchestra. Tommy is the new King of Swing! His Victor recordings sell faster and longer than those of any other swing band—he draws capacity crowds at theatres and hotels wherever he goes—he makes more hit songs than any other swing band in the country!

And Tommy Dorsey is sending more and more smokers into your store to buy the products that sponsor his show. You know it—your sales prove it. Cash in still further on Tommy's popularity. Give Raleighs and Kools a prominent place on your counter and in your window displays. It will pay you in profits!

Brown & Williamson products bring you the biggest profit in all lines and prices. KOOL is the largest-selling 15¢ mentholated cigarette. Raleighs now sell at popular prices. Viceroys are 15¢ and have a new, improved filter tip. Wings are a high-quality 10¢ cigarette. Avalons are a superior blend for "a few cents less." Sir Walter Raleigh Smoking Tobacco is 15¢ and famous for its mildness. Target is a grand blended cigarette tobacco for 5¢ and 10¢. Dial is a smooth Burley-Blend smoking tobacco. Bugler is a blended cigarette tobacco for 5¢ and 10¢. And Golden Grain and Old North State are bags of roll-your-own tobacco in 5¢ and 10¢ sizes.

Cigars Gain in Calendar Year

Year's Total for Cigars Exceeds 1936 by More Than One Hundred Million While Cigarettes Jump Nine Billion

DESPITE the December slump cigars in every class manufactured in the United States show a gain for the calendar year of 1937 as compared with 1936 production. In numbers the increase amounts to more than 134,000,000 cigars and in percentage to 2.6 per cent. Cigars from the Philippine Islands recorded a percentage increase of more than 15 per cent. Total Manila importations for the year were in excess of 189,000,000. If you check with round figures you may call it 190,000,000 as we skipped the 904,784 additional that should be tagged on to the 189,000,000. When it comes to cigars from Puerto Rico, you will find the answer in the appended statistical table. Statistics offer no explanation why Puerto Rican cigars should decline so greatly. It has always been an appreciated product, and there seems to be no reason why cigars from this island should not hold a firm place.

Class A cigars in the calendar year of 1937 are credited with an increase of more than 112,000,000 cigars. This is indicative of the fact that despite reduced income a man likes to smoke a cigar provided it is within the measure of what he can afford to spend to gratify a personal desire. The gain is 2.47 per cent.

Class B cigars have made some progress in the calendar year. In actual sales they are up about two and one-half millions. In percentage they have gained 4.75.

In percentage figures Class C gained more than Class A. The percentage in this class is given as 3.45, but obviously the withdrawals were very much less. It nevertheless should be a matter of encouragement for the future. The salesman who wants to gratify the cigar taste of his customer can usually do it with a Class C cigar.

Class D gained more than 1 per cent. Such cigars are above the ordinary purse, but they went ahead just the same. All of which proves that there are people who like them. And there is also conclusive evidence that they can afford to buy them. This is good for the Department of Internal Revenue, good for those who sell this priced merchandise, and it must be granted that it is a most satisfactory transaction for the party who buys these cigars, otherwise he would not do so.

When we come to Class E cigars they are up almost 8 per cent. This is a very good record for the calendar year when you pause to ask the price of Class E cigars.

Manufactured tobacco for the calendar year showed a loss of more than 8,500,000 pounds, and snuff which has been a good ground gainer dropped off more than a million pounds.

And here is the statistical record:

	Calendar Year 1937		Increase or Decrease Quantity	Per Cent.
Cigars:				
Class A—				
United States	4,653,221,715	+	112,375,080	2.47
Puerto Rico	25,212,225	—	19,634,230	43.78
Philippine Islands	188,856,735	+	25,002,590	15.26
Total	4,867,290,675	+	117,743,440	2.48
Class B—				
United States	55,570,117	+	2,518,040	4.75
Puerto Rico	781,750	—	401,950	....
Philippine Islands	370,490	+	18,835	....
Total	56,722,357	+	2,134,925	3.91
Class C—				
United States	562,404,404	+	18,740,966	3.45
Puerto Rico	748,400	+	243,400	....
Philippine Islands	278,946	+	61,210	....
Total	563,431,750	+	19,045,576	3.50
Class D—				
United States	41,186,704	+	534,646	1.32
Puerto Rico	.....	—	600	....
Philippine Islands	388,063	+	256,282	....
Total	41,574,767	+	790,328	1.94
Class E—				
United States	5,054,420	+	369,877	7.90
Puerto Rico	.....		.....	....
Philippine Islands	10,550	+	8,315	....
Total	5,064,970	+	378,192	8.07
Total All Classes:				
United States	5,317,437,360	+	134,538,609	2.60
Puerto Rico	26,742,375	—	19,793,380	42.53
Philippine Islands	189,904,784	+	25,347,232	15.40
Grand Total	5,534,084,519	+	140,092,461	2.60
Little Cigars:				
United States	198,890,010	+	19,835,788	11.08
Puerto Rico	1,506,680	—	635,720	29.67
Philippine Islands	.....		.....	....
Total	200,396,690	+	19,200,068	10.60
Cigarettes:				
United States	162,625,515,463	+	9,459,179,370	6.18
Puerto Rico	4,875,520	+	235,120	....
Philippine Islands	869,077	+	45,057	....
Total	162,631,260,060	+	9,459,459,547	6.18
Large Cigarettes:				
United States	3,072,950	+	593,093	23.92
Puerto Rico	312,500	—	93,500	23.03
Philippine Islands	3,832	+	3,832	....
Total	3,389,282	+	503,425	17.44
Snuff (lbs.):				
All United States	36,934,140	—	1,165,816	3.06
Tobacco Mfrd. (lbs.):				
United States	300,924,240	—	8,665,290	2.80
Philippine Islands	11	+	1	....
Total	300,924,251	—	8,665,289	2.80

N. A. T. D. CONVENTION BANQUET

(*Continued from page 6*)

U

Miss Elsie Ullman, Uneeda Doll Co., Inc., U. S. Tobacco Co., Universal Match Corp.

V

G. W. Van Slyke & Horton, Mr. Jonathan Vipond, Mr. J. A. Voice and Guests.

W

Waitt & Bond, Inc., Mr. J. J. Waner, Mr. and Mrs. Sam Wasserman, Mr. and Mrs. Stanley Wasserman, Webster Eisenlohr, Inc., Mr. and Mrs. M. Wecker, Mr. and Mrs. R. E. Weisberg, Mr. and Mrs. I. T. Weiss, Mr. Louis Weksler, Mr. and Mrs. Carl A. Werner, Westchester-Fairfield Retail Tobacco Dealers' Ass'n, Miss Molly Wigder, Mr. L. J. Wilk, Mr. and Mrs. Norman R. Williams, Mr. Fred Winter, Wm. Wrigley, Jr., Co., Inc.

Y

Yocum Bros.

Z

George Zifferblatt & Co., Mr. and Mrs. J. Zussman.

At the closing session of the Convention held at the Commodore Hotel on Saturday morning, January 22nd, the following were elected Directors of the N. A. T. D. for a period of three (3) years:

Charles F. Becker, Charles F. Becker Cig. Co., Detroit, Mich.; Robert F. Burnett, R. D. Burnett Cig. Co., Birmingham, Ala.; Sam Grossman, Chicago Tob. Co., Chicago, Ill.; Henry Gumst, Cliff Weil Cig. Co., Richmond, Va.; Nelson Eberbach, A. B. Cunningham Co., Philadelphia, Pa.; Carl Leidersdorf, Lewis-Leidersdorf Co., Milwaukee, Wisc.; Sylvian Mirsky, B. Mirsky & Son, San Francisco, Cal.; Henry Pinney, H. E. Shaw Co., Worcester, Mass.

Mr. Alvin Linker, Linker Cigar Co., Louisville, Ky., was elected as Director to finish the unexpired term of office of Director left vacant by the death of George B. Scrambling.

The Directorate of the N. A. T. D. at present consists of the following:

Lloyd K. Black, Goldsmit-Black, Inc., Pittsburgh, Pa.; Charles F. Becker, Chas. F. Becker Cig. Co., Detroit, Mich.; Robert F. Burnett, R. D. Burnett Cig. Co., Birmingham, Ala.; Allan C. Davis, F. A. Davis & Sons., Baltimore, Md.; Ed C. Dearstyne, Dearstyne Bros. Tob. Co., Albany, N. Y.; Nelson Eberbach, A. B. Cunningham Co., Philadelphia, Pa.; J. Renz Edwards, F. S. Edwards Tob. Co., Kansas City, Kans.; Arthur M. Eisig, Metropolitan Tob. Co., New York, N. Y.; Sam Grossman, Chicago Tob. Co., Chicago, Ill.; Henry Gunst, Cliff Weil Cig. Co., Richmond, Va.; Emil Harms, Peter Hauptmann Tob. Co., St. Louis, Mo.; Claude Harrison, Ouachita Cig. & Tob. Co., Monroe, La.; E. W. Harris, Hamilton, Harris & Co., Indianapolis, Ind.; Joseph Kolodny, Jersey City Tob Co., Jersey City, N. J.; C. B. Leidersdorf, Lewis-Leidersdorf Co., Milwaukee, Wisc.; Joseph P. Manning, J. P. Manning Co., Boston, Mass.; Alvin Linker, Linker Cig. Co., Louisville, Ky.; Sylvian Mirsky, B. Mirsky & Son, San Francisco, Cal.; Henry Pinney, H. E. Shaw Co., Worcester, Mass.; Alex Schwartz, Keilson Cig. Co., Cincinnati, Ohio; Jonathan Vipond, Scranton Tob. Co., Scranton, Pa.; Fred Winter, Winter Cig. Co., Denver, Colo.

At a meeting of the Board of Directors of the N. A. T. D., held at the Commodore Hotel, Saturday afternoon, January 22, 1938, the following officers were duly elected for 1938:

Chairman of Board, Joseph P. Manning, J. P. Manning Co., Boston, Mass.; President, Allan C. Davis, F. A. Davis & Sons, Baltimore, Md.; Treasurer, J. Renz Edwards, F. S. Edwards Tob Co., Kansas City, Kans.; Secretary, Joseph Kolodny, Jersey City Tob. Co., Jersey City, N. J.; 1st Vice-President, Ed C. Dearstyne, Dearstyne Bros. Tob. Co., Albany, N. Y.; 2nd Vice-President, Alex Schwartz, Keilson Cig. Co., Cincinnati, Ohio; 3rd Vice-President, Jonathan Vipond, Scranton, Tob. Co., Scranton, Pa.; 4th Vice-President, Sam N. Grossman, Chicago Tobacco Co., Chicago, Ill.; 5th Vice-President, Fred Winter, Winter Cigar Co., Denver, Colo.

AND SECRETARY JOE KOLODNY SAYS:

A STAGE director is rarely called upon to delineate publicly upon the technique he used in staging a play. To be called upon, therefore, to voice a personal expression of the manifold activities attendant to the Sixth Annual Convention of the N. A. T. D. places me in a rather incongruous position—in some respects akin to that of the director.

Perhaps a reference to the background will cast some light. We set out to attain the following objectives: (a) a large attendance of the members of our trade to deliberate upon a number of momentous problems confronting them; (b) to effectuate a closer relationship and a better understanding among producer, wholesaler, retailer; (c) to conduct all the activities in an atmosphere of orderliness, dignity and good taste.

The extent to which each of these was accomplished should be left to the impersonal judgment of the critics and the public. At this office, we believe that we carried out the task with a great deal of fidelity and that the impression made—by virtue of the character of the Sixth Annual Convention—will ultimately redound to the benefit of all the members of the Industry.

If I may deviate from the strict conventional statement, I must add that the kindness accorded me and the profusion of general expressions reposed upon me has greatly enriched my experience in this work.

While I greatly deplore the inconvenience that might have been caused to a number of our friends who were subjected to some difficulty due to their failure to acquire admission tickets in advance, I must call your attention to the fact that an industrial convention such as ours, is not a public forum. It is planned for the members of the industry. It required a great deal of courage to adopt a stern policy but viewing it from the reactions of the participants, it was fully approved and commended by everyone.

A stupendous task was completed and to all those who directly or indirectly contributed toward its success—we convey the heartfelt gratitude of the Convention Board and the Secretary of the Association.

GENERAL REOPENS SOUTH RIVER PLANT

The plant of the General Cigar Company at South River, N. J., which had been closed for several weeks for renovation, inventory, etc., was reopened again the week of January 17th when the regular force returned to work. This meant that more than four hundred persons were again employed and that the factory would soon be on normal production.

JULIUS GOLDSTEIN DEAD AT 83

Julius Goldstein, head of Powell & Goldstein, manufacturers of the Napoleon cigar, Oneida, N. Y., died recently at his residence in that city. His wife, Mrs. Henrietta Nixdorf Goldstein, died only three weeks previously. Mr. Goldstein who was 83 years old, had been in failing health some time and it is believed that his end was hastened by the death of his wife.

SPRUCE UP

Your Cigar Box

with SPRUCE LUMBER

Newest and Best

It's Brighter - for the Eye
It's Lighter - for Shipping
It's Better - for the Cigars

It's WOOD

SPECIFY SPRUCE

UPTEGROVE LUMBER CO.

15 Washington St. Newark, N. J.

Cigar Box Lumber for 64 years

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OPTIMO CIGARS — VERY MILD — VERY MILD

Manufactured by **A. SANTAELLA & CO.**

Office, 1181 Broadway, New York City

FACTORIES: Tampa and Key West, Florida

AUTOKRAFT

CIGAR BOXES

Boite Nature — Novelty
Cedar Chests — Wrapped

Are Outstanding In
Quality-Design-Cost

AUTOKRAFT BOX CORP.

Lima, Ohio — Hanover, Pa.
Chicago, Ill. — Philadelphia, Pa.
Detroit, Mich. — Wheeling, W. Va.
Hellam, Pa.

POPULAR LEADERS

By P. Lorillard Co.

Again

America's Most Popular Cigar

Sets The Pace

KING EDWARD

One-third of the total gain in the U. S. cigar sales in 1937 came from increased sales of King Edward.

Year after year this great cigar continues to grow in national popularity because of consistently high quality.

King Edward is a sure profit-maker for dealers and jobbers. Keep full stocks on hand.

Jno. H. Swisher & Son, Inc.
Cigar Manufacturers
Jacksonville, Florida

2 for 5¢

UNITED STATES TOBACCO COMPANY

Presents **PICK AND PAT**

Every Monday — C.B.S.— Coast-to-Coast you hear us say to our vast radio audience: "This program is presented by the United States Tobacco Company, Rockefeller Center, New York City, maker of many tobacco products of the highest grade, the most popular of which are known to you by such famous names as DILL'S BEST...MODEL...OLD BRIAR...COPENHAGEN...BRUTON...DEVOE...'C.C.' and RED SEAL."

CIGAR STATISTICS FOR DECEMBER

(*Continued from page 8*)

As already mentioned elsewhere, snuff in December, 1937, exceeded the December, 1936, production by more than 454,000 pounds. This was an increase of more than 15 per cent.

In the Philippine Islands December withdrawals were up more than 67 per cent. as compared with December of 1936. All classes made gains, and of course the largest was in Class A which amounted to an increase of more than 66 per cent.

Cigars from Porto Rico were down with a decline of more than 94 per cent. The Porto Rican cigar is continually losing ground and this is easily comprehended when the *Tobaco Barometer* shows that only about 217,000 cigars were withdrawn in the month of December.

SECOND VOLUME OF TOBACCO HISTORY BY GEORGE ARENTS, JR., OUT IN MARCH

It is announced that the second volume of the history of the tobacco industry being compiled by George Arents, Jr., will be published in March and will cover the period from 1615 to 1698. The third and fourth volumes which will complete the set are expected to be available by the end of this year.

Only three hundred sets will be printed, and of these thirty-five sets will be retained by Mr. Arents for his own collection of books and writings on tobacco which is said to be the largest and most comprehensive in the world.

When the four volumes are completed two hundred and sixty-five sets will be sold. The first and second volumes are priced at $75 each, while the third volume will be sold at $65 and the fourth at $50. This makes the price per set $265 and in this connection it seems to be a coincidence that only 265 sets will be for sale.

MORE CIGARETTES GOING TO CUBA

The Cuban Tobacco Defense Commission has recently released statistics showing that the importation of cigarettes from the United States for the first ten months of 1937 amounted to more than 47,000,000 packs, an increase of 29 per cent. over the importation in the same period in 1936. During the past few years importations of American cigarettes have been rapidly increasing. Obviously these figures are not very pleasing to the Commission.

MAGICIAN'S SUIT AGAINST REYNOLDS TOBACCO CO. DISMISSED BY COURT.

The $50,000 suit of magician Horace J. Goldin against the R. J. Reynolds Tobacco Company which charged them with infringement for using in their "It's Fun to Be Fooled" advertising an explanation of how a woman is sawed in half, has been dismissed by the Federal Court in New York City. The Court held that the advertising copy did not disclose how it was done, but that Mr. Goldin did when he patented the device and thereby made it public property.

LEGALITY OF COUPONS WITH TOBACCO PRODUCTS TO BE TESTED IN NEW YORK

The Retail Tobacco Dealers of America are going to court to find out whether or not redeemable coupons may legally be given away with the sale of tobacco products. The issue is whether or not such practice violates the Federal and various states Fair Trade Acts.

The point is whether or not the coupons, redeemable in merchandise, constitute price-cutting, as well as a breach of contract where prices have been fixed by Fair Trade Acts. For this purpose the R. T. D. A. is going into court to find out what it is all about. However, the coupon proposition has been in vogue these many years and we doubt if its elimination will be easily accomplished.

TOBACCONISTS IN CALIFORNIA FIND SALE OF WINE HELPS BUSINESS

The always interesting *Western Tobacconist*, published in San Francisco, Calif., says that the retail tobacconists in that State are enjoying a good business through the sale of wines, a privilege which is allowed to retail tobacconists in California. It is also pointed out that California leads the nation in the consumption of wines, consuming about three and one-half gallons per capita in a year.

PA. CIGARETTE TAX HITS SHIP STORES

The State Division of the Stamp, Store and Theatre Tax of the Pennsylvania Department of Revenue has ruled that ships purchasing cigarettes from wholesalers for the vessel's commissary must have the Pennsylvania tax stamps affixed. The only exceptions are when the cigarettes are sold to a Federal agency coming under the jurisdiction of the United States Government or when they are purchased by an out-of-the-State concern.

Tobacco Merchants' Association Registration Bureau, 341 Madison Ave. NEW YORK CITY

Schedule of Rates for Trade-Mark Services
Effective April 1, 1916

Registration,	(see Note A),	$5.00
Search,	(see Note B),	1.00
Transfer,		2.00
Duplicate Certificate,		2.00

Note A—An allowance of $2 will be made to members of the Tobacco Merchants' Association on each registration.

Note B—If a report on a search of a title necessitates the reporting of more than ten (10) titles, but less than twenty-one (21), an additional charge of One Dollar ($1.00) will be made. If it necessitates the reporting of more than twenty (20) titles, but less than thirty-one (31), an additional charge of Two Dollars ($2.00) will be made and so an additional charge of One Dollar ($1.00) will be made for every ten (10) additional titles necessarily reported.

TRANSFERRED REGISTRATION

ZENORA:—15,797 (Tobacco Leaf). For cigars. Registered October 5, 1898, by The Calvert Litho. Co., Detroit, Mich. Transferred to Banner Cigar Mfg. Co., Detroit, Mich., and re-transferred to The Hemmeter Cigar Co., Detroit, Mich., on June 7, 1937.

CORRECTED PUBLICATION—Transferred Registration

ROY DU BAC:—37,912 (United Registration Bureau for the Tobacco Industries). For cigars, cigarettes and tobacco. Registered December 16, 1912, by Jeitles & Blumenthal, Ltd., Philadelphia, Pa. Transferred to Continental Cigar Corp., Scranton, Pa., and re-transferred to G. W. Van Slyke & Horton, Inc., Kingston, N. Y., on November 20, 1937.

MIAMI AND TAMPA CUSTOMS COLLECTORS MAY NOW STAMP CIGARS FROM CUBA

Imports of Cuban cigars not exceeding $100 in value may now be stamped at Miami or Tampa, Fla., according to amended customers regulations. The collection of duties and internal revenue taxes have heretofore been handled at Jacksonville, Fla. The addition of these two collection offices indicates a growing demand for this service undoubtedly due to the increasing travel from Cuba to these Florida ports.

D. EMIL KLEIN CO. NET $190,000

The D. Emil Klein Co., Incorporated, has reported that its net profit for the year 1937 after provision for taxes and dividends, and an addition of $10,000 to its reserve, earned $190,498, equal to $1.92 a share on 91,275 of common stock outstanding. In 1936 the company's net profit was $212,354 or $1.96 a share, after allowing for $15,000 added to the reserve and dividend requirements.

OUR HIGH-GRADE NON-EVAPORATING
CIGAR FLAVORS
Make tobacco mellow and smooth in character and impart a most palatable flavor
FLAVORS FOR SMOKING and CHEWING TOBACCO
Write for List of Flavors for Special Brands
BETUN, AROMATIZER, BOX FLAVORS, PASTE SWEETENERS
FRIES & BRO., 92 Reade Street, New York

"A business that isn't worth advertising ought to be advertised for sale".

Classified Column

The rate for this column is three cents (3c.) a word, with a minimum charge of seventy-five cents (75c.) payable strictly in advance.

POSITION WANTED

CIGAR SALESMAN COVERING EASTERN PENNSYLVANIA and Local Territory desires connection. Large following. Address Box No. 580, "The Tobacco World."

CIGAR FOREMAN HAVING 6 YEARS' EXPERIENCE ON Automatic Machines, wants position. Also instructs beginners. Address Box No. 582, "The Tobacco World."

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WILLIAM BEST, New York, N. Y. ..... Chairman Executive Committee
MAJ. GEORGE W. HILL, New York, N. Y. ..... Vice-President
GEORGE H. HUMMELL, New York, N. Y. ..... Vice-President
S. CLAY WILLIAMS, Winston-Salem, N. C. ..... Vice-President
JULIUS LICHTENSTEIN, New York, N. Y. ..... Vice-President
ASA LEMLEIN, New York, N. Y. ..... Treasurer
CHARLES DUSHKIND, New York, N. Y. ..... Counsel and Managing Director
Headquarters, 341 Madison Ave., New York City

THE NATIONAL ASSOCIATION OF TOBACCO DISTRIBUTORS, INC.

ALAN C. DAVIS, Baltimore, Md. ..... President
EDMUND C. DEARSTYNE, Albany, N. Y. ..... Vice-President
JOSEPH KOLODNY, 200 Fifth Ave., New York, N. Y. ..... Secretary
J. RENZ EDWARDS, Kansas City, Kan. ..... Treasurer

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R. L. McCORMICK, 52 Klein Ave., Trenton, N. J. ..... First Vice-President
J. J. OLLENDORFF, 780 West End Ave., New York, N. Y. ..... Executive Secretary
ALBERT FREEMAN, 25 West Broadway, New York, N. Y. ..... Treasurer

TOBACCO SALESMEN'S ASSOCIATION OF AMERICA, INC.

HARRY A. ABRAMS ..... President
LEO RIEDERS, 3800 Broadway, New York, N. Y. ..... Secretary
JACK EDELSTEIN ..... Treasurer

RETAIL TOBACCO DEALERS OF AMERICA, INC.

WILLIAM A. HOLLINGSWORTH, 233 Broadway, New York, N. Y. ..... President
LOUIS KLEIN ..... First Vice-President
ERIC CALAMIA ..... Secretary
ARTHUR S. MEYER ..... Treasurer

CIGAR MANUFACTURERS ASSOCIATION OF AMERICA, INC., 200 Fifth Ave., New York, N. Y.

ALVARO M. GARCIA ..... President
THOMAS C. BREEN ..... Treasurer
SAMUEL BLUMBERG ..... General Counsel
Executive Committee—Alvaro M. Garcia (Ex-officio), Thomas C. Breen, Harley W. Jefferson, D. Emil Klein, Walter E. Popper, Harry S. Rothschild, and Arthur A. Schwarz.

THE YORK COUNTY CIGAR MANUFACTURERS ASSOCIATION

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C. M. EHEHALT, Red Lion, Pa. ..... Secretary
A. S. ZIEGLER, Red Lion, Pa. ..... Treasurer

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MARCH 1938

TOBACCO WORLD

ESTABLISHED 1881

In This Issue

"LITTLE CONVENTIONS" IS PLAN OF N. A. T. D. WITH J. KOLODNY AS FIELD MARSHAL IN CHARGE

CIGARS AND CIGARETTES DECLINE IN JANUARY 1938 AS COMPARED WITH JANUARY 1937 OUTPUT

REPORTS OF MANUFACTURERS IN TOBACCO INDUSTRY SHOW THAT 1937 EARNINGS WERE GOOD

DEPT. OF COMMERCE REPORTS ON FOREIGN TOBACCO MARKETS

THE TALK OF THE TRADE

Copyright 1938, Liggett & Myers Tobacco Co.

Hobart B. Hankins—*Editor* *Associate Editor*—John Cleary

THE TOBACCO WORLD

Vol. 58 MARCH, 1938 No. 3

MOST of the manufacturers in the tobacco industry look forward to the monthly report of *The Tobacco Merchants Association Bulletin,* which carefully analyzes the withdrawals of tobacco products with a table setting forth the figures of the previous month, as well as covering the fiscal period. The December report was not encouraging, and the figures for January of this year reflect a similar condition.

All classes of cigars dropped off, cigarettes declined, and only manufactured tobacco came through with a slight gain. The falling off in Classes B, D and E were especially heavy from a percentage standpoint. Cigars from the Philippine Islands had a splendid seven months' record, but had to join the recession procession in the month of January.

▲

AT a meeting held last week in New Jersey a number of secretaries of State Fair Trade Committees met for the purpose of organization and for further strengthening of their respective groups for manufacturer-recognition, as well as the whole-hearted co-operation of the wholesaler and retailer.

Milton J. Benjamin, secretary of the New Jersey Fair Trade Committee, was elected chairman of this newly formed organization, which is to be known as the United States Committee of Fair Trade Secretaries. "The purpose of this Association," explained Mr. Benjamin, "is to unify efforts of individual committees by acting as a sort of 'clearing house' for all committees. By this means we propose to contact manufacturers at one and the same time."

"For the purpose of clarification," Mr. Benjamin added, "it is our intention to contact the manufacturers at one time." Mr. Benjamin has already taken immediate steps to contact those manufacturers who have not yet signed under Fair Trade Acts.

The temporary office of this organization is located at 591 Summit Avenue, Jersey City, N. J.

▲

WITH the business of post-convention details rapidly reaching completion, Joseph Kolodny, executive secretary of the National Association of Tobacco Distributors, is completing arrangements for a series of "little convention" meetings from coast to coast.

The schedule, which was originally planned for the early part of next month, has been revised to permit him to finish some of the important work yet to be completed. The pressure of work resulting from the various resolutions adopted at the last convention has kept Mr. Kolodny working at top speed to comply with the revised schedule which, it is expected, may begin before the end of March.

He plans to open the first of these meetings on the coast and then work his way back East. After a brief breathing spell at the National office, he plans to continue these meetings throughout the South.

Among the many important subjects to be covered, according to word reaching this office, will be to take up the resolution adopted at the convention which urges manufacturers of popular brands of cigarettes to support the industry by establishing Fair Trade prices on their merchandise.

It is estimated that, among other results to be obtained from these meetings, more than 750,000 signatures will be affixed to the petitions urging the manufacturers to support the resolution. The members of the industry are eagerly looking forward to the outcome of this, the most important forward step ever to be undertaken by the National Association of Tobacco Distributors.

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THE United States Department of Agriculture says that the outlook for most cigar types of tobacco is favorable. Production of all cigar tobacco in 1937 approximated 105,500,000 pounds, or 8 per cent. more than in 1936. But smaller stocks on October 1st compared with a year earlier reduced total supply to 414,100,000 pounds, or 4 per cent. smaller than in the preceding season. The increase in production occurred in binder, types 51-55, all of which increased in 1937 as compared with 1936. The increase in the crop from 41,200,000 to 51,100,000 pounds was much more than offset, however, by a decrease in stocks from 156,800,000 pounds on October 1, 1936 to 137,300,000 pounds in 1937.

Production of filler and wrapper types amounted to 45,100,000 and 9,300,000 pounds, respectively, or slightly less than in the previous season. Stocks of filler, types 41-45, were slightly smaller, while those of wrapper, types 61-62, were the same as in 1936. Total supplies showed a small decline.

Disappearance of cigar tobaccos in 1936-37 amounted to 120,000,000 pounds, or 12 per cent. more than disappearance in 1935-36 and 10 per cent. more than 1936-37 production. Disappearance has exceeded production continuously since 1932. The excess in 1936-37 was mainly in binder types. Wrapper production and disappearance were approximately the same.

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THE *Canadian Cigar and Tobacco Journal* features in its current issue a discussion of the "Commodities Retail Sals Act," now in force in British Columbia. The Retail Merchants' Association of British Columbia is credited with having secured the passage of this legislation which covers all classes of merchandise. —And it is expected that this new law will end price-cutting in that province. We hope it will, but we have our doubts.

The Act is a most interesting piece of law-making. It apparently puts an end to the giving of premiums in conjunction with the regular sale of merchandise. It put the burden of proof on the manufacturer or wholesaler that he has served notice on his customers as to the resale price. It looks like a fairly stiff bit of legislation.

▲

REVENUE collections from the cigar and tobacco industry were less in January, 1938, than in January of 1937, and the only product to show an increase was manufactured tobacco. Taxes from this item amounted to $4,203,857.54 in January of this year which was greater than January of last year by more than $100,000.

Taxes on cigarettes amounted to $39,176,886.07, which was a decline of approximately $1,134,000. Taxes on cigars in January amounted to $773,938.90, which was a decrease of more than $75,000. Collections from snuff were $526,528.67, which was a falling off of more than $8700. Cigarette papers and tubes paid $86,204.04, less by $10,591 than the amount received in January of 1937. Matches paid $118,294.74, which was a decrease of $183,118.

This will help a little bit toward paying the interest on the national debt, but if the Government hopes to keep on collecting from the industry Congress had better give a thought to a reduction on some of its taxes on the tobacco products.

▲

IT APPEARS that it does not always pay the proprietor of a tobacco store to be without a telephone, or at least an assistant. Our English contemporary, "The Tobacconist," says that the cash register robbers have been doing very well with retailers in England who do not have a telephone or a clerk.

The game is worked in England by sending a telegram to the proprietor of the store asking him to call a certain number on the telephone. When he arrives at the nearest phone booth he finds it occupied. And while he waits to get the use of the phone, the accomplice of the man in the booth is calmly cleaning out the cash register.

This may work in England, but we doubt very much if it would prove very profitable in the United States. One reason is that almost every cigar dealer has a private phone or a pay station for the reason that a phone is a business getter, particularly in the tobacco business. And even if he has no telephone it is very doubtful if he could be lured from his place of business without leaving some one whom he knows to watch over it in his absence.

CIGAR FILLER AND BINDER TOBACCO SUPPLY BELOW LEVEL FOR QUOTAS

THE Agricultural Adjustment Administration has determined the total supply of cigar filler and binder tobacco on October 1, 1937, and announced that no marketing quota for that kind of tobacco would apply during the next marketing year, and that consequently no referendum would be held.

The total supply was 356,269,000 pounds. The reserve supply level, at which a marketing quota could have become effective, is 361,350,000 pounds. Had the total supply been greater than the reserve supply, the Secretary of Agriculture would have established the amount of tobacco which could have been sold without penalty during the marketing year beginning October 1, 1938, and producers of cigar filler and binder tobacco would have voted on whether they wanted the quota to take effect.

As defined in the Agricultural Adjustment Act of 1938, the reserve supply of cigar filler and binder tobacco is the normal supply plus 5 per cent. Normal supply is made up of a normal year's domestic consumption and exports, plus 175 per cent. of domestic consumption and 65 per cent. of exports.

J. B. Hutson, assistant administrator of the AAA, said that as a result of the determination of supply, no quotas will apply to the marketing of any cigar tobacco during the next marketing year. He added that the agricultural conservation program, with provisions for special tobacco acreage allotments and payments, was open to growers of cigar filler and binder tobacco in 1938.

AMERICAN SNUFF CO. EARNINGS

The American Snuff Co. report for the year ended December 31, 1937, certified by independent auditors, shows net income of $1,572,682 after depreciation, federal income taxes, etc., equivalent after 6 per cent. preferred dividends to $3.12 a share (par $25) on 434,100 shares of common stock, excluding 5900 shares held by company as an investment.

This compares with $1,655,086 or $3.31 a share on common in 1936.

Current assets as of December 31, 1937, including $6,308,248 cash and securities, at market, amounted to $14,765,850 and current liabilities were $852,656. This compares with cash and securities, at cost, of $5,902,059, current assets of $14,853,749 and current liabilities of $880,177 on December 31, 1936. Inventories at cost were $7,081,231 against $6,825,341.

BAYUK EARNS $2.17 ON COMMON STOCK

The report of Bayuk Cigars, Inc., for the calendar year of 1937 shows net earnings of $2.17 a share on the common stock after the payment of the dividend on the preferred shares. This compares with $2.06 earned on the common stock in 1936. President A. Jos. Newman in his report to the stockholders said:

"Sales for 1937 were the largest on record, the increase over 1936 being three times greater than for the industry as a whole.

"In the last quarter of the year—and in the face of a general recession in business—Bayuk's sales reached an all-time high for that period."

"ARE CAMELS REALLY DIFFERENT FROM OTHER CIGARETTES?"...a question of interest to every smoker

A FRIEND DROPS IN to see Bill's model racing sloop. Daly passes the Camels and answers a natural question about smoking. "That all-cigarettes-are-alike talk doesn't square with my experience. Believe me, steady smoking is the test that shows Camels in a class by themselves. They don't make my nerves 'edgy.'"

... When H. W. DALY, 34, rayon salesman, says "Yes, Camels *are* different," millions of other steady smokers back him up. And that explains why Camels are preferred by the *largest* body of smokers ever known.

A KISS FROM MARITA (Mrs. Daly) and Bill is off to catch the 7:55 on which he commutes to his job. The Dalys agree about most things. Among them, Camels. Mrs. Daly smoked them first, soon noticed a difference. "Now we find Camels agree better with both of us," she says.

MARITA'S PLANNING a grand feed. "We enjoy entertaining," Marita says. "I like to have plenty of Camels at the table. Camels cheer up one's digestion."

A matchless blend of finer, MORE EXPENSIVE TOBACCOS — Turkish and Domestic

PEOPLE DO APPRECIATE THE
COSTLIER TOBACCOS
IN CAMELS

THEY ARE THE
LARGEST-SELLING
CIGARETTE IN AMERICA

Copyright, 1938, R. J. Reynolds Tobacco Co., Winston-Salem, N. C.

DOUBLE-FEATURE CAMEL CARAVAN
TWO GREAT SHOWS IN A SINGLE HOUR

Two great shows—"Jack Oakie College" and Benny Goodman's "Swing School"—in one fast, fun-filled hour. Every Tuesday at 9:30 pm E.S.T., 8:30 pm C.S.T., 7:30 pm M.S.T., 6:30 pm P.S.T., over WABC-CBS.

ONE SMOKER TELLS ANOTHER **"Camels agree with me"**

Cuban Tobacco Export Products Shipped

Tobacco and Tobacco Products Shipped in December 1937 Totaled $1,030,984

TOTAL exports of tobacco and tobacco products from Cuba in December, 1937, were valued at $1,030,984, as compared with $1,038,567 in November, 1937, and $835,518 in December, 1936, as stated in a report from the American Consulate General, Habana, made public to the trade by the Tobacco Division, Department of Commerce.

Cuban shipments of leaf and manufactured tobacco in December, 1937, consisted of 12,853 pounds of wrapper tobacco (valued at $25,157), 2,138,735 pounds of filler ($517,944), 423,280 pounds of stemmed leaf ($270,737), 183,033 pounds of scrap ($46,488), 1,675,352 cigars ($158,741), 4,725,628 cigarettes ($10,838), and 2161 pounds of smoking tobacco ($1079). Exports of 2,138,735 pounds of filler tobacco were the largest in any month of 1937 except July, when shipments totaled 2,155,507 pounds.

Exports to the United States in December, 1937, were valued at $407,622, and consisted largely of 12,952 pounds of wrapper tobacco ($24,867), 149,648 pounds of filler tobacco ($57,874), 425,239 pounds of stemmed leaf ($268,166), 152,911 pounds of scrap ($42,020), and 123,370 cigars ($14,594).

Of unusual interest were exports to Germany of 826,527 pounds of filler tobacco ($82,531), 669,601 pounds of filler tobacco ($223,793), to Sweden, and 2,020,000 cigarettes ($4040) to Spain.

Shipments of tobacco and tobacco products from Cuba in the year 1937 were valued at $14,924,008, as against $13,330,917 in 1936, $15,699,475 in 1935, and the record low point of $12,926,270 in 1932. A comparison is here given of Cuban exports of unmanufactured and manufactured tobacco in 1936 and 1937:

	1936 Quantity	1936 Value
Wrapper (pounds)	528,493	$918,190
Filler (pounds)	13,968,374	3,527,644
Stemmed (pounds)	5,673,887	3,973,804
Scrap (pounds)	2,557,644	733,768
Total leaf (pounds)	22,728,398	$9,153,406
Cigars (number)	42,044,971	4,067,674
Cigarettes (number)	25,354,586	63,936
Smoking tobacco (pounds)	91,880	45,901
Total value		$13,330,917
Grand total value		$22,484,323

	1937 Quantity	1937 Value
Wrapper (pounds)	554,974	$1,019,987
Filler (pounds)	16,141,374	3,996,360
Stemmed (pounds)	7,481,715	5,388,151
Scrap (pounds)	2,819,411	806,249
Total leaf (pounds)	26,997,474	$11,210,747
Cigars (number)	34,985,512	3,637,974
Cigarettes (number)	23,927,779	57,417
Smoking tobacco (pounds)	34,209	17,870
Total value		$14,924,008
Grand total value		$26,134,755

Exports of wrapper tobacco, while larger in volume than in the three previous years, were less than 596,730 pounds exported in 1933. Shipments of filler tobacco to foreign markets in 1937 were slightly larger than in 1936, but were below exports in other recent years, especially 1932, when 26,115,688 pounds were shipped. For exports in 1932, however, there was received $27,000 less than for 60 per cent. as much tobacco in 1937. On the other hand, exports of stemmed leaf tobacco in 1937 constitute a record for the past six years, the previous high mark in that period having been 7,147,817 pounds shipped in 1935. While 1937 exports of scrap tobacco were larger than in 1936, 3,703,303 pounds were exported in 1935. Cigar exports were the smallest since 1932, when shipments totaled 28,563,695 pieces, and exports of cigarettes were the lowest in many years. A decline of $464,250 in the value of 1937 manufactured tobacco exports, as compared with 1936, served to reduce the increase of $2,057,341 in the value of leaf tobacco exports, leaving a net gain of $1,593,091 in the value of all exports for the year 1937.

During the year 1937, exports of Cuban tobacco and tobacco products to the United States were valued at $8,728,669, compared with $7,043,985 in 1936, $9,103,909 in 1935, and $8,000,894 in 1933. The value of exports during 1937 represented 59 per cent. of the value of all tobacco exports, in comparison with 53 per cent. in 1936, and 58 per cent. in 1935. Details of shipments to the United States during 1936 and 1937 are as follows:

	1936 Quantity	1936 Value
Leaf tobacco (pounds)	11,433,143	$6,708,384
Cigars (number)	2,966,731	335,102
Cigarettes (number)	44,174	115
Smoking tobacco (pounds)	628	384
Total value		$7,043,985

	1937 Quantity	1937 Value
Leaf tobacco (pounds)	13,604,004	$8,368,105
Cigars (number)	3,093,337	360,115
Cigarettes (number)	23,884	91
Smoking tobacco (pounds)	574	358
Total value		$8,728,669

Leaf tobacco exports to the United States in 1935 were the largest in the past five years, totaling 15,604,385 pounds, valued at $8,703,291. In volume exports to American markets in each of the past three years have comprised 50 per cent. of leaf exports to all markets, as compared with 44 per cent. in 1933. The value of shipments to the United States in 1937, however, represented 75 per cent. of the value of all leaf exports, as compared with 73 per cent. in 1936. Leaf tobacco accounts for 95 per cent. of the value of all Cuban exports to the United States.

An instant hit in test cities....

NOW BIG BEN SMOKING TOBACCO WILL BE NATIONALLY ADVERTISED

GOOD NEWS TO DEALERS!

Starting in March, BIG BEN Smoking Tobacco will be advertised in The Saturday Evening Post, Collier's, The American Weekly, The Country Gentleman, Capper's Farmer, Progressive Farmer, Pathfinder, Grit, Popular Publications, Thrilling Fiction Group, All Fiction Field, and the Kellogg Group of Railroad Publications.

This new brand has been tried out in test cities. It won instant acclaim. Smokers call it the best tobacco for pipes and roll-your-own cigarettes they ever came across.

BIG BEN is a crimp-cut blend of fine burley tobaccos, kept fresh with a special Cellophane tape around the lid. The tin is easy to spot by the thoroughbred horse on the front. It holds two full ounces.

Inside each tin is a valuable BIG BEN coupon, worth saving for more than a dozen fine premiums. There is also a 14-ounce cannister with a patented flavor-saving cover. Each 14-ounce tin has eight coupons inside.

Feature BIG BEN in your window and on your counter. It will be a big money maker for you.

Brown & Williamson products bring you the biggest profit in all lines and prices. KOOL is the largest-selling 15¢ mentholated cigarette. Raleighs now sell at popular prices. Viceroys are 15¢ and have a new, improved filter tip. Wings are a high-quality 10¢ cigarette. Avalons are a superior blend for "a few cents less." Sir Walter Raleigh Smoking Tobacco is 15¢ and famous for its mildness. Target is a grand blended cigarette tobacco for 5¢ and 10¢. Dial is a smooth Burley-Blend smoking tobacco. Bugler is a blended cigarette tobacco for 5¢ and 10¢. And Golden Grain and Old North State are bags of roll-your-own tobacco in 5¢ and 10¢ sizes.

Manufactured Tobacco Up in January

All Classes of Cigars Made in the United States Show a Loss for the Month While Cigarettes Decline Nearly 3 Per Cent.

ALL tobacco products, excepting chewing and smoking tobaccos, declined in the month of January of this year, while the cigar withdrawals from the Philippines and Puerto Rico also failed to make progress. There was a decrease in the volume of cigarettes, but the amount is not relatively great and it undoubtedly was anticipated. The total decline for all classes in the United States amounted to almost 8 per cent. Philippine cigars fell off more than 13 per cent. while Puerto Rico cigars decreased by more than 24 per cent. Cigarette production shows a loss of nearly 3 per cent. Manufactured tobaccos moved up with an increase of 2½ per cent. The Tobacco Merchants Association have furnished the break-down of the figures.

The total production of cigars of all classes made in this country amounted to 328,574,263 for the month of January. This represents a loss of more than 28,000,000 as compared with the same month in 1937. As stated in the above paragraph, it amounts to a recession of almost 8 per cent.

Class A cigars were produced in the amount of 302,571,865 for the month of January, but nevertheless this number was 24,400,000 less than in January of 1937. In percentage the drop was 7.47 per cent. For the first seven months of the fiscal year Class A fell off about 76,000,00, so that the January decline represents almost one-third of the seven months' decrease.

Class B, with a production for the month of only slightly more than 2,000,000, declined more than 34 per cent. In December 4,774,063 cigars were made in this class. Compared with January of 1937, approximately 3,778,000 were manufactured. That cigars in this bracket are not popular from a price standpoint must be evident to anyone who studies the monthly as well as the annual figures.

Class C lost ground in January, with a drop of more than 2,000,000. The total production was 22,450,000 cigars. The decrease in Class C production in December, 1937, amounted to more than 10,000,000. The percentage loss in January was about 9 per cent. as compared with a decline of almost 21 per cent. in December, 1937.

Cigars in Class D so far as January production is concerned amounted to only 1,210,000 in round figures. This represents a loss of about 35 per cent. This would indicate that cigars in this bracket are out of the reach of the pocketbook of those who could afford them a year ago. It looks like a severe recession for merchandise of this price.

In Class E only 125,221 cigars were withdrawn during the month and this was equivalent to a more than 20 per cent. decrease, in comparison with the previous January.

(Continued on page 11)

	January, 1938		Increase or Decrease Quantity	Per Cent.
Cigars:				
Class A—				
United States	302,571,865	—	24,409,970	7.47
Philippine Islands	11,261,980	—	1,725,925	13.29
Puerto Rico	61,150	—	74,325	....
Total	313,894,995	—	26,210,220	7.71
Class B—				
United States	2,216,936	—	1,161,024	34.37
Philippine Islands	3,360	+	833	....
Puerto Rico	1,000	+	600	....
Total	2,221,296	—	1,159,591	34.30
Class C—				
United States	22,450,358	—	2,171,204	8.82
Philippine Islands	41,766	+	15,864	....
Puerto Rico	103,150	+	20,300	....
Total	22,595,274	—	2,135,040	8.63
Class D—				
United States	1,209,883	—	648,185	34.88
Philippine Islands	26,110	—	4,490	....
Puerto Rico	.....		.....	....
Total	1,235,993	—	652,675	34.56
Class E—				
United States	125,221	—	31,717	20.21
Philippine Islands	1,150	+	1,150	....
Puerto Rico	.....		.....	....
Total	126,371	—	30,567	19.48

	January, 1938		Increase or Decrease Quantity	Per Cent.
Total All Classes:				
United States	328,574,263	—	28,422,100	7.96
Philippine Islands	11,334,366	—	1,712,568	13.13
Puerto Rico	165,300	—	53,425	24.43
Grand Total	340,073,929	—	30,188,093	8.15
Little Cigars:				
United States	16,187,013	—	2,094,120	11.46
Philippine Islands	.....		.....	....
Puerto Rico	.....		.....	....
Total	16,187,013	—	2,094,120	11.46
Cigarettes:				
United States	13,058,452,906	—	377,757,271	2.81
Philippine Islands	22,800	—	7,600	....
Puerto Rico	88,760	—	151,240	....
Total	13,058,564,466	—	377,916,111	2.81
Large Cigarettes:				
United States	197,054	—	90,277	31.42
Philippine Islands	161	+	161	....
Puerto Rico	.....	—	20,000	....
Total	197,215	—	110,116	35.83
Snuff (lbs.):				
All United States	2,925,067	—	48,769	1.64
Tobacco Mfrd. (lbs.):				
United States	23,354,516	+	569,083	2.50
Philippine Islands	.....		.....	....
Total	23,354,516	+	569,083	2.50

Greet each customer with
the famous El Producto question:

"WHAT SIZE PLEASE?"

★ The familiar question wherever high-grade cigars are sold!

★ The question that is answered by smokers all over the country with the name of one of the famous

EL PRODUCTO
CIGARS

G.H.P. Cigar Co., Inc., Phila., Pa.

BUDGET AUTHORIZED TO CONTINUE OHIO FAIR TRADE COMMITTEE

At the annual meeting of the Tobacco Division of the Ohio Fair Trade Committee held Sunday, February 20th, in Columbus, a resolution was passed authorizing a budget for the continuance of the operations of the committee for 1938.

The Fair Trade Committee was granted a unanimous vote of thanks for the fine work that had been done during the fifty weeks of operation.

A committee was appointed to begin organization of an Ohio Tobacco Association. This committee consists of: J. C. Newman, representing manufacturers; C. H. Tiemann, representing chain stores; Rudy Hooffstetter, representing jobbers; Lee Funk, representing independent retailers, and S. L. Abrams, secretary.

Charles Luthy, superintendent of the Cigarette Tax Commission, was a speaker on the program.

CIGARILLO SALES ARE GROWING

While you don't hear much about them and don't see much advertising on them, the fact remains that the cigarillo is receiving an increasing demand from the smoker. It is said that some manufacturers of tobacco products are investigating the field, and if it should prove all that is claimed for it there is the probability that some new brands backed by substantial advertising copy may appear on the scene in the not distant future.

"LUCKY STRIKE" MELODY PUZZLES

"Melody Puzzles," American Tobacco Company's new "Lucky Strike" program, drew 100,212 scripts from the radio audience the first four weeks it was presented over the NBC-Blue Network, and about 15,000 scripts on the first day of the fifth week, figures compiled show.

Scripts submitted by listeners in the week following the first broadcast, January 10, totalled 16,334; the second week this figure doubled, reaching 31,343; the third week the total was 24,422; the fourth, 28,112, and on the first day of the fifth week the incomplete count shows 14,675 scripts received. The program also was carried on another New York station the first three of these weeks. It started on NBC four days after it was booked, the week-end interim being too short to allow much preliminary publicity or merchandising.

"Melody Puzzles" combines Lucky Strike's long successful formula of using popular songs as the basis of its campaign, with an added appeal to radio listeners with a flair for dramatic writing.

These listeners submit scripts in which the name of a current song hit is concealed. The sketch is put on the air by a dramatic cast, and members of the studio audience are called forward and asked to detect the hidden title. Harry Salter's Orchestra plays the song after it is named correctly.

The successful detectives from the audience receive a prize of $10; the authors of the scripts broadcast receive $25.

Cigars Off 3% in First Seven Months

Fiscal Year Record to Date Shows a Decline in Cigar Withdrawals, But Cigarettes Nearly 4% in Period

FOR the first seven months of the fiscal year the cigar industry declined less than 3 per cent., while cigarettes gained nearly 4 per cent., a matter of more than three and a half billion. Manufactured tobacco was off nearly four and one-quarter million pounds, or about 2½ per cent. Snuff was down about one-half of 1 per cent. In the large cigar division only Class B showed a gain, amounting to a little more than 2 per cent. Little cigars increased by nearly 3½ per cent.

Cigars from the Philippine Islands moved up in the period by more than twenty-five millions to show a gain of more than 26 per cent. Cigars from Puerto Rico, however, are hopelessly behind last year's output for the first seven months of the fiscal year.

Class A cigars produced in the United States declined almost seventy-six million out of a production of two billion seven hundred million. This was a decrease of about 2¾ per cent. Figures for the calendar year of 1937, however, show a gain of more than one hundred and twelve million.

In Class B, the only classification to show a gain in the large cigar class, there was an upward trend of more than six hundred and eighty-five thousand cigars. The gain thus far in the fiscal year is only about one-half of the percentage for the 1937 calendar year.

During the period there was no progress made in Class C. On the other hand there was a decrease of more than six million cigars, amounting to less than 2 per cent. With a production of more than three hundred and forty-six millions, this is not a bad showing.

Class D cigars declined more than 5 per cent. Total production in this classification amounted to more than twenty-five millions. In the calendar year of 1937 there was increase of more than 1¼ per cent.

In Class E produced in this country, less than three and one-half millions were made in the first seven months of the fiscal year. The decline in this class amounted to more than 3¼ per cent. In the calendar year of 1937 Class E cigars gained more than 7 per cent.

Cigars produced in all classes for the first seven months of the fiscal year are down 2½ per cent. In fact, slightly more than that percentage. All conditions considered, this is by no means a discouraging outlook. Tobacco products will unquestionably make progress and establish and maintain the prestige which they now hold as one of the Government's best revenue producers.

The report taken as a whole appears to be most encouraging. When this period of the year is taken into consideration plus current business conditions we should feel satisfied with the results obtained. And the Government "take" of tobacco taxes (and in more ways than one) is not to be overlooked.

We feel now, as we always have felt, that the tobacco industry is heavily overtaxed. Admitting that it is a profitable business, there does not seem to be any reason for excessive taxation. Any business management that is smart enough to make additional income under the present system of taxation is most certainly entitled to it. But to get it is something else.

	1st 7 Mos. Fiscal Yr. 1938		Increase or Decrease Quantity	Per Cent.
Cigars:				
Class A—				
United States	2,694,042,795	—	75,839,145	2.74
Philippine Islands	121,114,395	+	25,054,450	26.08
Puerto Rico	8,956,925	—	20,507,600	....
Total	2,824,114,115	—	71,292,295	2.46
Class B—				
United States	33,701,009	+	685,672	2.08
Philippine Islands	289,343	+	68,084	....
Puerto Rico	283,050	—	476,700	....
Total	34,273,402	+	277,056	0.81
Class C—				
United States	346,741,700	—	6,363,976	1.80
Philippine Islands	221,474	+	47,322	....
Puerto Rico	509,000	+	112,650	....
Total	347,472,174	—	6,204,004	1.75
Class D—				
United States	25,281,016	—	1,393,952	5.23
Philippine Islands	308,422	+	173,521	....
Puerto Rico	.....	—	600	....
Total	25,589,438	—	1,221,031	4.55
Class E—				
United States	3,442,987	—	117,210	3.29
Philippine Islands	5,680	+	5,025	....
Puerto Rico	.....		.....	....
Total	3,448,667	—	112,185	3.15
Total All Classes:				
United States	3,103,209,507	—	83,028,611	2.61
Philippine Islands	121,939,314	+	25,348,402	26.24
Puerto Rico	9,748,975	—	20,872,250	....
Grand Total	3,234,897,796	—	78,552,459	2.37
Little Cigars:				
United States	110,266,129	+	3,640,733	3.41
Philippine Islands	.....		.....	....
Puerto Rico	796,680	—	232,323	....
Total	111,062,809	+	3,317,413	3.08
Cigarettes:				
United States	97,589,156,242	+	3,573,346,492	3.80
Philippine Islands	401,570	—	121,170	....
Puerto Rico	3,023,680	+	13,480	....
Total	97,592,581,492	+	3,573,238,802	3.80
Large Cigarettes:				
United States	1,881,410	+	313,833	20.02
Philippine Islands	1,021	+	1,021	....
Puerto Rico	132,500	—	127,500	....
Total	2,014,931	+	187,354	10.25
Snuff (lbs.):				
All United States	21,634,244	—	111,896	0.51
Tobacco Mfrd. (lbs.):				
United States	172,902,125	—	4,248,690	2.40
Philippine Islands	11	+	11	....
Total	172,902,136	—	4,248,679	2.40

C. M. EHEHALT DIES OF HEART FAILURE

Christian M. (Rudi) Ehehalt, secretary of the York County, Pa., Cigar Manufacturers' Association, with headquarters in Red Lion, Pa., died on February 1, in the West Side Sanitarium at York, Pa. He had been a patient there for several weeks due to a heart condition and other complications. He was fifty-six years old.

Mr. Ehehalt was the correspondent for our contemporary, the *Tobacco Leaf*, of New York City, and through his weekly letters in that publication he made a splendid contribution to the progress and success of the York County cigar industry.

He was born in Bavaria in December, 1881. He attended Heidelberg University, and after his graduation came to the United States and settled down in Red Lion. He had been secretary of the York County Cigar Manufacturers' Association for thirteen years.

Surviving him are his widow, Ida Noll Ehehalt, and three children.

Services were held on Thursday, February 3, in St. Joseph's Catholic Church at Dallastown, Pa. Services and interment were private.

FRED H. AUSTIN DIES IN HOSPITAL

Fred H. Austin, vice-president of the Austin Tobacco Company, of Knoxville, Tenn., died on February 3, in the Fort Sanders Hospital, after having been ill for some time. He was fifty-two years old and had been in Knoxville since 1925. At that time he purchased an interest in the Chero-Cola Bottling Company. He later became president of the company.

Mr. Austin also gave much of his time to the Austin Tobacco Company, his father having been a pioneer in the Burley tobacco business. He was a Mason and a Shriner. He is survived by his widow, one brother and a sister.

R. A. D'ESOPO OF HARTFORD DIES AT 61

R. A. D'Esopo, who has been in the cigar manufacturing business in Hartford, Conn., for the past forty-six years, died suddenly early in the month. Until about fifteen years ago he had operated his own factory, which manufactured Red Men cigars. For the past seven years he has been manager of the Connecticut Valley Cigar Company. He was a member of the Hartford Lodge of Elks for more than thirty years.

LOUIS H. HARRIS PASSES AT AGE OF 71

Louis H. Harris, a retired cigar manufacturer of Syracuse, N. Y., passed away recently at his home in that city at the age of seventy-one. He was born in Europe and came to this country when he was three years old.

JERSEY CITY CIGAR MANUFACTURER DIES

Frederick Bebber, a cigar manufacturer of Jersey City, N. J., died recently at his Summit Avenue residence in that city. He was seventy years old.

FRANKLIN T. EDDY DIES.

Franklin T. Eddy, a retired cigar manufacturer of Coldwater, Mich., died recently at his residence in that place. He was seventy-eight years old.

ARTHUR L. HOLT DIES AT AGE OF 57

ONE of the most conspicuous figures in the cigar trade in Philadelphia passed away last week when Arthur L. Holt died. He rightfully held the title of "Job Lot King," and for almost a score of years he worked to develop what probably was the largest cigar outlet operated by one man in the country. While he stocked many of the standard brands, he also sold many brands which were not so well known. Much of his business was in merchandise which he purchased for cash from manufacturers who were overstocked and needed funds.

Mr. Holt was fifty-seven years old and had been in poor health for a long time. In recent years he spent much time in East and West coast resorts seeking to improve his physical condition. He had been seriously ill for more than two months. He was a member of the Masonic order.

JOHN BERNINGER DIES IN 81ST YEAR.

John Berninger of Allentown, Pa., and founder of the present firm of Berninger and Henry, died recently at his residence in that city. About forty years ago, with his brother Charles, they operated the Berninger Brothers cigar factory. He retired in 1934. He was in his 81st year at the time of his death.

JANUARY CIGAR WITHDRAWALS DECLINE

(*Continued from page 8.*)

There were more than 13,000,000,000 cigarettes produced in the month but despite these interesting figures they represent a decline of more than 377,000,000 as compared with January of 1937.

Manufactured tobacco increased in production by 2½ per cent. The gain was 569,000 pounds while the total for January was 23,354,516 pounds.

The number of little cigars manufactured in January was 16,000,000, but this represented a loss of more than 2,000,000 or a percentage decrease of 11.46.

Snuff suffered a set-back. The production amounted to almost 3,000,000 pounds, but at that it was less by about 49,000 pounds than in January of 1937. It amounts to a little more than 1½ per cent.

***Manufactured Tobacco Produced by Classes**

(As reported by the Bureau of Internal Revenue, based on manufacturers' returns of production)

Month of November

	1937		Increase or Decrease Quantity	Per Cent.
Product:				
Plug	4,460,106	—	39,733	0.88
Twist	492,937	+	127	0.03
Fine-cut Chewing	481,631	+	72,576	17.74
Scrap Chewing	3,223,545	—	147,840	4.39
Smoking	15,856,156	+	653,148	4.30
Total	24,514,376	+	538,278	2.25

Eleven Months Ending November 30

	1937		Quantity Increase or Decrease	Per Cent.
Product:				
Plug	54,541,735	—	168,441	0.31
Twist	6,280,365	+	463,515	7.97
Fine-cut Chewing	5,086,414	+	110,346	2.22
Scrap Chewing	41,782,012	+	341,605	0.82
Smoking	173,297,797	—	5,482,224	3.07
Total	280,988,323	—	4,735,199	1.66

*The production figures are in pounds, and are subject to revision until published in the annual report of the Commissioner of Internal Revenue.

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This means continuously mounting demand, more rapid turn-over, and a steady increase in dealer and jobber profits from this great seller.

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Every Monday — C.B.S. — Coast-to-Coast you hear us say to our vast radio audience: "This program is presented by the United States Tobacco Company, Rockefeller Center, New York City, maker of many tobacco products of the highest grade, the most popular of which are known to you by such famous names as DILL'S BEST... MODEL... OLD BRIAR... COPENHAGEN... BRUTON... DEVOE... 'C. C.' and RED SEAL."

CIGAR AND CIGARETTE AND TOBACCO COMPANIES REPORT ON 1937 PROFITS

The United States Tobacco Company reports that net profits for the year 1937 amounted to $3,462,687. This is after allowing for depreciation, Federal income taxes and a flood loss of $303,235. After 7 per cent. preferred dividends, this sum is equivalent to $7.21 a share on the common stock. This compares with earnings of $8.89 a share on common stock in 1936.

P. Lorillard Company states that higher operating costs and a flood loss of $1,059,280 cut the 1937 net profit of the company to an appreciable degree, reducing it to $2,278,036. In 1936 the net profit was $3,517,849. The 1937 net is equivalent to 85 cents a share on the common stock ($10 par). Sales increased over 1936 by $8,834,890.

Consolidated Cigar Corporation reports an increase in its 1937 earnings equivalent to 93 cents a share on the common stock as compared with 54 cents in 1936. Net profit for 1937 was $892,574. In 1936 net earnings were $813,038.

For the year ending October 31, 1937, the Imperial Tobacco Company of Great Britain and Ireland announces that its earnings were $52,500,000, after allowing for depreciation, taxes, etc., and including $1,250,000, which was transferred to the general reserves.

During the year 1937 Reynolds Metals Company paid four dividends of twenty-five cents each on its common stock. Early this month the company declared a dividend of fifteen cents on its common stock.

Benson & Hedges report net income for the year 1937 of $68,500.28 after depreciation and various taxes including the federal sur-tax on undistributed profits. These figures compare with a net income of $25,133.45 in 1936. This gain in net income is a remarkable showing.

The report of the General Cigar Company for 1937 shows net earnings of $1,673,930 after tax deductions, and a net loss of $132,922 on the sale of non-operating factories which was also deducted. After deducting 7 per cent. preferred dividends the profits are equivalent to $2.80 a share on the no-par common stock. In 1936 the earnings per share amounted to $3.07.

The Reynolds Tobacco Company report for 1937, after deductions of more than $600,000 for flood loss, net earnings carried to undivided profits amounting to $27,602,372 or $2.76 a share. This compares with 1936 earnings equal to $2.92 a share.

The American Tobacco Company has announced that it will pay a dividend of 5 per cent. on its common stock and B common on March 1 to stockholders of record at the close of business on February 10. This is equivalent to $1.25 a share. This is the company's 130th dividend.

The Scotten-Dillon Company of Detroit, Mich. reports a net profit for the year 1937 of $456,257 which is equal to $1.52 a share. In 1936 the company earned $559,586 which is equivalent to $1.86 a share.

According to the New York Journal of Commerce, Philip Morris & Company for the fiscal year ending March 31st will show earnings of about $11.50 a share as compared with $6.88 a share for the fiscal year ending March 31, 1937.

Liggett & Myers Tobacco Company report net income of $21,375,560 for 1937 after deducting depreciation, interest, taxes, and a flood loss of $778,000. After allowing for the 7 per cent. preferred dividend, it is equal to $6.34 on the combined common and Class B shares. In 1936 net income was $24,207,632 or $7.25 a share. Net sales reached a peak $242,488,565: In 1936 sales totalled $236,883,813.

CANADA'S DECEMBER TOBACCO RECORD

According to an unrevised statement issued by the Canadian Department of National Revenue, in December, 1937, there were entered for consumption in Canada 1,532,468 pounds of cut tobacco, 283,552½ pounds of plug tobacco, 67,252 pounds of snuff, 539,619,930 cigarettes, 12,957,650 cigars, and 386,606 pounds of foreign leaf tobacco. Total amounts of tobacco and tobacco products entered for consumption during the twelve calendar months of 1937, compared with the same period of 1936, are as follows: Cut tobacco 20,853,180 pounds (19,242,766 pounds in the twelve months of 1936), plug tobacco 3,586,760 pounds (3,709,063), snuff 825,179 pounds (789,094), cigarettes 6,697,903,894 pieces (5,600,453,214), cigars 129,834,344 pieces (122,342,499), and foreign leaf tobacco 6,015,100 pounds (5,080,240). Excise taxes were paid on 9,669,325 cigars in December, 1937.

Tobacco Merchants' Association Registration Bureau, 341 Madison Ave. NEW YORK CITY

Schedule of Rates for Trade-Mark Services Effective April 1, 1916

Registration,	(see Note A),	$5.00
Search,	(see Note B),	1.00
Transfer,		2.00
Duplicate Certificate,		2.00

Note A—An allowance of $2 will be made to members of the Tobacco Merchants' Association on each registration.

Note B—If a report on a search of a title necessitates the reporting of more than ten (10) titles, but less than twenty-one (21), an additional charge of One Dollar ($1.00) will be made. If it necessitates the reporting of more than twenty (20) titles, but less than thirty-one (31), an additional charge of Two Dollars ($2.00) will be made and so an additional charge of One Dollar ($1.00) will be made for every ten (10) additional titles necessarily reported.

TRANSFERRED REGISTRATIONS

MASTER'S DEGREE:—23,406 (Tobacco World). For cigars, cigarettes, cheroots, stogies, chewing and smoking tobacco. Registered November 28, 1911, by Mochle Litho. Co., Brooklyn, N. Y. Transferred by American Colortype Co., Allwood, Clifton, N. J., successors to the registrants, to R. R. Tobin, Detroit, Mich., for **smoking and chewing tobacco only,** on February 2, 1938, the American Colortype Co. having retained the trade-mark for cigars, cigarettes, cheroots and stogies.

BLACK HAWK:—(Tobacco Leaf). For cigars. Registered August 21, 1883, by Austin Nichols & Co., New York, N. Y., and through mesne transfers acquired by The Andy Dehner Cigar Co., Burlington, Iowa: also **193,045** (United States Patent Office). For cigars. Registered December 16, 1924, by Andy Dehner Cigar Co., Burlington, Iowa. Transferred to H. Fendrich, Inc., Evansville, Ind., on December 29, 1937.

PUERTO RICO BUYS FEWER CIGARETTES.

PURCHASES of cigarettes by Puerto Rico during 1937 were about 2 per cent. lower than in 1936, amounting to 731,570,000, in comparison with 747,104,000 in 1936, the Puerto Rican Trade Council says. Due to slightly lower average prices, the value of shipments to the island fell from $3,287,459 to $3,171,964, a decrease of 3½ per cent.

In spite of this decline, the council says that the island still ranks second as a buyer of cigarettes and that its purchases have nearly doubled since 1929. Although tobacco is one of the leading crops of Puerto Rico, the types used in cigarettes are not generally grown there and fully 85 per cent. of the cigarettes consumed are bought from the States.

The council says that Puerto Rican purchases of all types of merchandise in 1937 amounted to $90,043,856, an increase of about 4 per cent. over 1936.

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In This Issue

CLASS B CIGARS GAINED IN FEBRUARY

CIGARETTES 2.57 PER CENT. AHEAD IN EIGHT MONTHS

1938 TOBACCO MARKETING QUOTAS APPROVED

CUBAN LEAF TOBACCO CROP REPORT

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HOBART B. HANKINS—*Editor* *Associate Editor*—JOHN CLEARY

THE TOBACCO WORLD

Vol. 58 APRIL, 1938 No. 4

THE paradoxical nature of the February withdrawal figures, showing increases in Class B cigars, little cigars and large cigarettes in the face of heavy declines in other classifications of tobacco products is emphasized in a study of the revenue collections for the month. The report reveals only one gain, and that is in cigarette papers and tubes. The February collection amounted to $93,007.24, which was an increase of $5432.86, or 6.2 per cent. over the corresponding month of last year. Revenue decreases in the other classifications were as follows: cigars, 5.51 per cent.; cigarettes, 6.78 per cent.; snuff, 2.97 per cent.; chewing and smoking tobacco, 5.43 per cent.; leaf dealer penalties, 86.22 per cent. The total revenue collected for the month was $39,904,160.81, a decrease of $2,797,041.02, or 6.55 per cent.

▲

SOMETHING like bewilderment results from a study of a breakdown of the production figures for manufactured tobacco covering the calendar year 1937, as published elsewhere in this issue. For the entire classification there was a decrease of 303,468,958 pounds, or 2.09 per cent. This loss was divided as follows: smoking tobacco, 6,243,971 pounds, or 3.22 per cent.; all others (including plug, twist, fine-cut chewing and scrap chewing), 241,352 pounds, or a little more than a quarter of one per cent. The enigma becomes more puzzling when you study those four classifications separately. Twist and fine-cut gained, while plug and scrap showed losses. The best relative performer of the quartet last year was fine-cut, with an increase of 390,656 pounds, or 7.71 per cent. Next came twist, with a gain of 360,327 pounds, or 5.65 per cent. Scrap's loss was 210,167 pounds, or 0.46 per cent., and plug declined 782,168 pounds, or 1.32 per cent. What do you make of it, Watson?

▲

PIPE-SMOKER Edward G. Robinson, known also as a picture star, is speaking: "I have been a pipe smoker for years. During that time my collection of pipes has grown, not as a result of any acquisitive instinct but by the natural process of buying occasional new pipes and a deep abiding disinclination to throw an old pipe away. All my pipes are practical pipes. There is not a museum piece among them. Most of them are briars, and I have never found two briars the same. But occasionally I like to smoke a calabash, a meerschaum, and even some of the exotic paraphernalia used in the Orient for the enjoyment of tobacco. Some people ask, 'but why so many pipes?' Of course, this question is never put to me by pipe smokers. They know the answer, even though they may be the proud possessors of only a dozen pipes. But cigarette smokers and occasionally women seem perplexed by the thought of so many pipes. 'You can only smoke one of them at a time,' they say, as if they had thought of some unusually brilliant remark. To put myself on record once and for all, I am continually seeking new smoking sensations. To a pipe smoker, that means not only the taste of a pipe, but its color, its feel in the hand, its balance, its grain, its draw—and the peculiar pleasure that all these combined attributes represent to the seasoned smoker. These are the qualities I seek in a new pipe. A person who smokes many pipes soon learns to distinguish between the sutleties and peculiar characteristics of each. His enjoyment of smoking increases with every pipe he owns."

▲

CIGARETTE vending machines are breaking into the news in the United States and Canada. Out in Des Moines, Iowa, the city legal department has finished drafting a measure which would prohibit the use of the machines. The ban against them was recently lifted in the State, but the city is opposed to them because the machines would give minors access to cigarettes, and they would decrease employment. The proposed restriction prohibits machines that dispense not only cigarettes but also cigarette papers, wrappers or anything that contributes to the making of a cigarette. Down Boston way the bill to prohibit the sale of cigarettes by machine in Massachusetts was referred to the next Legislature. From Canada comes word that the license fees for vending machines in Vancouver, B. C., have been increased this year. Fee for the first machine will be $25 a year; the fee for all subsequent machines will be $10 a year. Formerly the fees were $25 and $2 respectively.

▲

FOUR leading cigarette companies—American Tobacco, Liggett & Myers, P. Lorillard and R. J. Reynolds—participated in a record cigarette volume which was forty-three per cent. greater than the 1931 level of production, yet their profits last year were thirty per cent. less than they were in 1931, according to the *Wall Street Journal*. A reason given by that publication is that in 1932, aided by an unwise price advance in 1931, when leaf tobacco costs were at the lowest levels in many years, new competition had sprung up and the Pandora's box opened in that year let loose a swarm of troublesome competitors not since reconfined. The net result of this has been to prevent leading cigarette companies from lifting prices in line with increased costs. On the basis of leaf tobacco prices, production costs in 1937 probably ran about 10 per cent. ahead of the 1931 production cost, but the net price of cigarettes for the manufacturer, after discounts and the federal tax, was 17 per cent. less. This does not take into consideration other increased costs, such as labor, paper, etc.

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Class B Cigars Gained in February

Little Cigars and Large Cigarettes Also Registered Increases for the Month; Other Classifications Lost

PARADOXICAL as it may seem, those tobacco products whose withdrawals are of relatively inconsiderable quantities—Class B cigars, little cigars and large cigarettes—registered increases in February, while all other classifications showed declines. Carrying out the topsy-turvyness of the month, the largest percentage of decrease was in, of all things, standard cigarettes.

On the other hand, the heaviest gain was recorded in Class B cigars. The month's total was 3,546,117, as compared with 2,343,994 in February, 1937, an increase of 1,202,123, or 51.29 per cent.

Little cigars totaled 126,093,209, as compared with 120,680,396, an increase of 5,412,813, or 4.49 per cent.

Large cigarettes totaled 2,242,592, as compared with 2,005,639, an increase of 236,953, or 11,81 per cent.

The grand total for cigars of all classes was 3,589,668,491, which was 97,346,199, or 2.64 per cent. less than the same month last year. The showing by classes was as follows:

Class A—3,147,625,990 as against 3,234,121,595, a decline of 86,495,605, or 2.67 per cent.

Class C—373,193,076, as against 383,877,200, a decline of 10,684,124, or 2.78 per cent.

Class D—27,410,190 as against 28,879,216, a decline of 1,469,026, or 5.09 per cent.

Class E—3,619,716 as against 3,796,339, a decline of 176,623, or 2.64 per cent.

Cigarettes rolled up a total of 11,492,097,510, but this volume, huge as it undoubtedly is, failed to reach the 12,329,002,820 peak of February, 1937, by 836,905,310, or 6.79 per cent.

Snuff aggregated 2,837,798 pounds, as compared with 2,924,683, a reduction of 86,885 pounds, or 2.97 per cent.

Chewing and smoking tobacco amounted to 22,239,586 pounds, as against 23,518,835, a decline of 1,279,249 pounds, or 5.44 per cent.

The only plus signs recorded for the Philippine Islands were in Class A cigars (15,745,350 as compared with 8,920,500); and Class C cigars (14,700 as compared with 9062); which combined to give the Islands a gain in cigars of all classes (15,800,827 as compared with 9,050,979).

No increases were registered for Puerto Rico products in any classification.

	February, 1938		Increase or Decrease Quantity	Per Cent.
Cigars:				
Class A—				
United States	307,720,475	—	20,568,660	6.27
Philippine Islands	15,745,350	+	6,824,850	....
Puerto Rico	46,050	—	1,459,500	....
Total	323,511,875	—	15,203,310	4.49
Class B—				
United States	3,538,510	+	1,273,983	56.26
Philippine Islands	2,857	—	61,760	....
Puerto Rico	4,750	—	10,100	....
Total	3,546,117	+	1,202,123	51.29
Class C—				
United States	25,674,552	—	4,459,408	14.80
Philippine Islands	14,700	+	5,638	....
Puerto Rico	31,650	—	26,350	....
Total	25,720,902	—	4,480,120	14.83
Class D—				
United States	1,782,832	—	233,115	11.56
Philippine Islands	37,920	—	14,880	....
Puerto Rico	.....		.....	....
Total	1,820,752	—	247,995	11.99
Class E—				
United States	171,049	—	60,438	26.11
Philippine Islands	.....	—	4,000	....
Puerto Rico	.....		.....	....
Total	171,049	—	64,438	27.36
Total All Classes:				
United States	338,887,418	—	24,047,638	6.63
Philippine Islands	15,800,827	+	6,749,848	....
Puerto Rico	82,450	—	1,495,950	....
Grand Total	354,770,695	—	18,793,740	5.03

	February, 1938		Increase or Decrease Quantity	Per Cent.
Little Cigars:				
United States	15,030,400	+	2,225,400	17.38
Philippine Islands	.....		.....	....
Puerto Rico	.....	—	130,000	....
Total	15,030,400	+	2,095,400	16.20
Cigarettes:				
United States	11,492,025,877	—	836,216,543	6.78
Philippine Islands	21,233	—	139,167	....
Puerto Rico	50,400	—	549,600	....
Total	11,492,097,510	—	836,905,310	6.79
Large Cigarettes:				
United States	182,061	+	6,971	3.98
Philippine Islands	.....	—	2,972	....
Puerto Rico	45,600	+	45,600	....
Total	227,661	+	49,599	27.85
Snuff (lbs.):				
All United States	2,837,798	—	86,885	2.97
Tobacco (Chewing and Smoking) lbs.:				
United States	22,239,585	—	1,279,250	5.44
Philippine Islands	1	+	1	....
Total	22,239,586	—	1,279,249	5.44

Internal Revenue Collections for February

Source of Revenue	1938	1937
Cigars	$ 819,171.13	$ 866,966.64
Cigarettes	34,477,587.22	36,986,565.57
Snuff	510,803.60	526,442.87
Tobacco, chewing and smoking	4,003,565.45	4,233,462.37
Cigarette papers and tubes	93,007.24	87,574.38
Leaf dealer penalties	26.17	190.00

Cigarettes 2.57% Ahead in 8 Months

Increase Extends to Large Cigarettes and Little Cigars; Declines in Period Recorded by Cigars, Snuff, Mfd. Tobacco

DURING the eight months ending with February, cigars, snuff and manufactured tobacco registered declines ranging from 0.81 per cent. for snuff to 2.75 per cent. for chewing and smoking tobacco, the cigar decrease being 2.64 per cent. Little cigars, cigarettes and large cigarettes, on the other hand, showed gains ranging from 2.57 per cent. for standard cigarettes to 11.81 per cent. for large cigarettes, with the increase in little cigars standing at 4.49 per cent.

Taking the cigars first, the total of all classes was 3,589,668,491, as compared with 3,687,014,690, a loss of 97,346,199.

Largest volume of decrease was naturally in Class A, whose total of 3,147,625,990 for the period compared with 3,234,121,595, a decline of 86,495,605, or 2.67 per cent.

Class B total of 37,819,519 was a gain of 1,479,179, or 4.07 per cent., over the 36,430,340 registered during the corresponding period of the year before.

Class C total was 373,193,076. This compared with 383,877,200, a decrease of 10,684,124, or 2.78 per cent.

Class D, with 27,410,190, showed a decline of 1,469,026, or 5.09 per cent., from the previous total of 28,879,216.

Class E total was 3,619,716, as compared with 3,796,339, a reduction of 176,623, or 4.65 per cent.

In the little cigars classification the total was 126,093,209, as compared with 120,680,396, an increase of 5,412,813.

The staggering total of 109,084,679,002 was piled up by cigarettes during the period. This compared with 106,348,345,510, an increase of 2,736,333,492.

Large cigarettes totaled 2,242,592, as compared with 2,005,639, a gain of 236,953.

The figures show 24,472,042 pounds of snuff, as compared with 24,670,823, a decline of 198,781 pounds.

In chewing and smoking tobacco, the total was 195,141,722 pounds, as compared with 200,669,650, a reduction of 5,527,928.

These reports cover United States, Philippine Islands and Puerto Rico products. Separately, the Philippines recorded gains in Class A cigars (136,859,745, as compared with 104,980,445, an increase of 31,879,300, or 30.37 per cent.); Class B cigars (292,200 as against 285,876, an increase of 6324); Class C cigars (236,174 as against 183,214, an increase of 52,960); Class D cigars (346,342 as against 187,701, an increase of 158,641); Class E cigars (5680 as against 4655, an increase of 1025); all combining to give the Philippines a total of 137,740,141 as against 105,641,891, an increase of 32,098,250, or 30.38 per cent.).

Puerto Rico registered a gain only in Class C cigars (540,650 as against 454,350, an increase of 86,300).

	1st 8 Mos. Fiscal Yr. 1938		Increase or Decrease Quantity	Per Cent.
Cigars:				
Class A—				
United States	1,001,763,270	—	96,407,805	3.11
Philippine Islands	136,859,745	+	31,879,300	30.37
Puerto Rico	9,002,975	—	21,967,100	70.93
Total	3,147,625,990	—	86,495,605	2.67
Class B—				
United States	37,239,519	+	1,959,655	5.55
Philippine Islands	292,200	+	6,324	....
Puerto Rico	287,800	—	486,800	....
Total	37,819,519	+	1,479,179	4.07
Class C—				
United States	372,416,252	—	10,823,384	2.82
Philippine Islands	236,174	+	52,960	....
Puerto Rico	540,650	+	86,300	....
Total	373,193,076	—	10,684,124	2.78
Class D—				
United States	27,063,848	—	1,627,067	5.67
Philippine Islands	346,342	+	158,641	....
Puerto Rico	.....	—	600	....
Total	27,410,190	—	1,469,026	5.09
Class E—				
United States	3,614,036	—	177,648	4.69
Philippine Islands	5,680	+	1,025	....
Puerto Rico	.....		.....	....
Total	3,619,716	—	176,623	4.65
Total All Classes:				
United States	3,442,096,925	—	107,076,249	3.02
Philippine Islands	137,740,141	+	32,098,250	30.38
Puerto Rico	9,831,425	—	22,368,200	69.47
Grand Total	3,589,668,491	—	97,346,199	2.64

	1st 8 Mos. Fiscal Yr. 1938		Increase or Decrease Quantity	Per Cent.
Little Cigars:				
United States	125,296,529	+	5,866,133	4.91
Philippine Islands	.....		.....	....
Puerto Rico	796,680	—	453,320	....
Total	126,093,209	+	5,412,813	4.49
Cigarettes:				
United States	109,081,182,119	+	2,737,129,949	2.57
Philippine Islands	422,803	—	260,337	....
Puerto Rico	3,074,080	—	536,120	....
Total	109,084,679,002	+	2,736,333,492	2.57
Large Cigarettes:				
United States	2,063,471	+	320,804	18.41
Philippine Islands	1,021	—	1,951	....
Puerto Rico	178,100	—	81,900	31.50
Total	2,242,592	+	236,953	11.81
Snuff (lbs.):				
All United States	24,472,042	—	198,781	0.81
Tobacco (Chewing and Smoking) lbs.:				
United States	195,141,710	—	5,527,940	2.75
Philippine Islands	12	+	12	....
Total	195,141,722	—	5,527,928	2.75

Twelve Months Ending December 31

Product:	1937		Increase or Decrease Quantity	Per Cent.
Plug	58,382,353	—	782,168	1.32
Twist	6,732,491	+	360,327	5.65
Fine-cut Chewing	5,438,848	+	390,656	7.71
Scrap Chewing	45,132,279	—	210,167	0.46
Smoking	187,762,987	—	6,243,971	3.22
Total	303,468,958	—	6,485,323	2.09

Tobacco Marketing Quotas Approved

SECRETARY of Agriculture Henry A. Wallace announced on March 25th final and official results of the three marketing quota referendums held March 12th. In each referendum farmers voted for quotas by more than the required two-thirds margin. The cotton vote was 1,406,088 to 120,940, a majority of 92.1 per cent. The flue-cured tobacco vote was 219,842 to 35,253, an 86.2 per cent. majority. The fire-cured and dark air-cured tobacco vote was 39,328 to 9460, an 80.6 per cent. majority.

As a result of the votes, the marketing quotas proclaimed by the Secretary February 18th will be in effect during the coming marketing year for each of the three crops. The cotton marketing year begins August 1st; the flue-cured tobacco marketing year begins July 1st, and the marketing year for the dark tobaccos begins October 1st.

In the cotton referendum 1,527,028 farmers cast ballots, out of an estimated total of 2,300,000 eligible to vote. In the flue-cured tobacco referendum 255,095 farmers voted out of an estimated 300,000 eligible. In the dark tobacco referendum 48,788 farmers voted out of 75,000 estimated eligibles.

In the 1934 referendum on the Bankhead Act, 1,521,887 cotton farmers voted. Of these 1,361,347 favored operation of the penalty on surplus marketings and 160,540 opposed it. The majority in favor was 89.4 per cent.

All farmers who produced cotton or the tobaccos last year were eligible to vote in the 1938 referendum for their crop. The eligible lists included share-tenants, tenant-renters and share-croppers as well as persons who both own and operate farms. In each county the balloting was conducted by the county agricultural conservation committee, composed of farmers. Polling places were established in various communities of each county, under the supervision of community referendum committees named by the county committee, and the terms of the Act required that voting be by secret ballot.

Each county committee collected and tabulated returns, certified the results and sent them to the State agricultural conservation committee. State committees in turn certified State returns and forwarded them to Washington.

The referendums were held under provisions of the Agricultural Adjustment Act of 1938, which directs that marketing quotas be established, subject to farmers' approval, for cotton, the various kinds of tobacco, corn, wheat, and rice when supplies reach high levels defined in the law. The law also provides that no rice quota can be effective this year, and that a wheat quota for the 1938 crop could be proclaimed only if parity payments are made this year. Possibilities of a corn referendum depend on the determination of supply after the August crop report.

The cotton and tobacco marketing quotas represent the amounts of the 1938 crop which can be marketed free of penalty in interstate or foreign commerce.

The national cotton allotment specified for 1938 in the Secretary's proclamation was 10,000,000 standard bales, plus the number of bales allotted under a section of the new farm Act which provides that the allotment of no county shall be less than 60 per cent. of the acreage planted to cotton in 1937 plus the acreage diverted from cotton under the conservation program. This resulted in a total acreage allotment of approximately 26,300,000 acres. This acreage at ten-year average yields will result in a crop of 10,129,000 bales and at five-year average yields in a crop of 11,230,000 bales. Acreage allotments are being established for each individual farm, and if the allotment is not exceeded, all the cotton produced on the farm may be sold without the payment of any penalty. A penalty of two cents a pound will be paid on cotton marketed in excess of a grower's allotment.

The national marketing quota proclaimed for the 1938 crop of flue-cured tobacco is 705,000,000 pounds and the quota for dark tobacco is 145,000,000 pounds. The tax on tobacco sold in excess of each grower's quota will equal half of the market price at the time of sale, with a minimum of 3 cents a pound for flue-cured tobacco and 2 cents for dark tobacco.

Report on U. S. Tobacco Statistics

THE second annual report on tobacco statistics, covering the 1936-37 marketing season and earlier years, was made available last month by the U. S. Department of Agriculture. These annual statistical summaries, prepared by the Bureau of Agricultural Economics, were authorized and requested by Congress in 1935. They are intended to bring together significant figures which give a perspective of broad trends within the tobacco industry. The report reveals improvement in some phases of the industry in 1936-37. Cigarette production reached a new high; cigar production increased for the third successive year; stocks of tobacco in most types were reduced to as low a level as was desirable.

On the other hand, an unfavorable indication is cited in the case of exports. The export trade has always been a major outlet for American tobacco, but greater and greater efforts are being made to duplicate popular American types in foreign countries. "Such efforts," it was stated, "backed by governmental funds and proceeding along scientific lines, will probably bear more and more heavily on the foreign market for American tobacco."

The report contains numerous tables on production, prices, and other items relating to tobacco. New data not included in the first annual report relate to tax-paid withdrawals, in the United States, of tobacco products from the Philippine Islands and Puerto Rico, 1917-37; tobacco acreage and production of the world and specified countries, 1900-34; data indicating use, dimensions, and weights of tobacco containers for shipment and storage; and international trade tables by countries of origin and destination for the most important tobacco exporting and importing countries, 1922-36.

Copies of the "Annual Report on Tobacco Statistics, 1937"—Statistical Bulletin No. 63—are available from the Superintendent of Documents, Washington, D. C., at 15 cents each.

Cigars are the most pleasurable and economical form of smoking.

BAYUK BULLETIN

Devoted to the best interests of the men who sell cigars.

First Issued 1929 APRIL, 1938 *Prepared twice a month*

PHULOFAX

(The Retailer's Friend)

SAYS

Often it takes three pages to excuse why you "didn't do it", whereas it takes only three words to say, "I Did It."

—o—

Let's pay every attention to the "health" of our own products, and we won't have much time to concern ourselves about the other fellow's products.

—o—

Let's call it the "Fair Profit Law", and not "Fair Trade Law."

—o—

L. C. K. writes to Phil—"Business has been a little dull in my town the last three or four weeks, but I do not put on a sour face to my customers . . . I don't lie that 'business is good', but neither do I attempt to spread gloom that it isn't so hot."

Fine, L. C. K., and all of us can take a hint from your actions.

—o—

Here's another interesting letter written to Phil—

"I do not run an employment agency but I do try to get jobs for any of my unemployed customers (or former customers) and I have been fairly successful. I have quite a clientele of business executives, and at an opportune time and in a diplomatic fashion I'll mention 'So and So' being out of a job. Well, anyway, I landed four jobs in past three weeks and every little bit helps!"

Right you are, and Phil knows every Bayuk Bulletin reader says, "More power to your commendable efforts."

—o—

Are more cigars smoked on rainy days than on sunshiny days?

Phil passes that question on to the readers, BUT Phil does say that more cigars are smoked when purchased by the box than when bought singly. Right?

—o—

"Should I give a customer matches or wait until he asks for them?" queries T. O. C.

Phil believes you should voluntarily offer matches, but how about a nice display of cigar lighters to tempt a purchase?

—o—

"In our semi-monthly bulletin to our salesmen we just don't run 'crabbing articles' . . . we also run complimentary articles on some good salesmen's showing."

Pardon me, but Phil says, "Well, why not?"

—o—

Spring is here . . . better get the old paint brush limbered up!

*Phil M. Phulofax**

D. B. I.

**Associated with BAYUK CIGARS INC., Philadelphia—Makers of fine cigars since 1897.*

ALIBI-E-TIS

This little article, breezy with good humor and salty with common sense, was written in 1920 by the present President of Bayuk Cigars, Inc. "Alibi-e-tis" has been reprinted many times and has carried its helpful message to literally thousands of salesmen. In response to requests from numerous readers, the Bayuk Bulletin takes pleasure in presenting "Alibi-e-tis."

Alibi-e-tis! What is it?

Alibi-e-tis is a dangerous, destructive disease that chiefly confines its wicked work to the folks in the selling game and in its virulent form renders them non coms in the battle for business.

Most of us have it, but won't admit it, and the funny thing about Alibi-e-tis is that until we confess its existence with us, there is no cure.

The Symptoms are easily recognizable wherever post-mortems are being held over a sale that went dead.

Lend your ear to this.

"I tell you, Mr. Boss, it can't be done. The trade is loaded to the guards with goods; the roads are bad and the farmers are not buying; my territory never would warm up to that style packing—in fact, conditions are so strongly against the proposition that it is useless to think of putting it over."

Did you ever have to listen to or punish some other listener by that line of chatter? Well, that's Alibi-e-tis.

Are you getting the drift of the diagnosis of this disease?

Just as soon as we run up against a selling snag, how quick we are to blame it on the territory; on the jobber; on the retailer; or on every other factor but one, and that—the vital factor.

When the sale goes over, we want the credit, because we are salesmen. When we fall down, we are still salesmen (emphasis on the "still"); but, it wasn't our fault 'cause "conditions were against us."

"Conditions" against you? Rot! You against conditions is the way to look at it. Be bigger than any condition. It's up to you to climb over conditions. Without resistance, there is no efficient effort and without efforts, we stagnate into Order Takers, the original breeders of Alibi-e-tis and the outcast relatives of real salesmen.

You're a salesman and your big idea is to sell goods whether conditions are for you or against you. Irrespective of conditions, the point is not that there is always a way to make a sale, so much as there is always someone who can, and if YOU don't and blame it on Conditions, man, you've got Alibi-e-tis.

It's a terrible thing, this Alibi-e-tis, because very frequently it distorts our mind to such an extent as to make us feel that conditions really did kill the sale.

Set the stage for this scene. A dealer. A salesman. A logical proposition. Sample displayed on counter. Opening remark by salesman—"Well, Mr. Buyer, what do you THINK of it?"

Then comes the "thunder of silence" and the "lightning of rejection" from the dealer, and the sale is crashed.

On an approach like this, the opening remark is usually the closing remark, and then follows the burial service—"He told me he didn't THINK it would sell and turned me down cold."

Why should the buyer be obliged to think of the selling possibilities of the proposition? He didn't tell your Boss to get it up. Why ask him what he THINKS of it? Why not right off the reel, tell him what you KNOW about it? Instead, if on the dealer's snap judgement of three seconds he says "nothing doing", bing-bang back in the sample grip and another calamity caused by Conditions.

Can't you see that had this salesman gotten ready to make a sale, the sale would have been ready for him? But, NO—on his hit or miss policy, he's a salesman when he hits and Conditions do the pitching when he misses! That guy's got Alibi-e-tis and doesn't know it, and until he does he's out of luck in finding out why he's not in luck.

Alibi-e-tis must not be confused with Loaf-e-tis, as the latter is far less insidious in spreading its fangs of foolishness in the system of a salesman.

Loaf-e-tis deadens a desire for worthwhile work, but Alibi-e-tis absolutely creates a wish to perform useless labor. Prove it? Sure.

It's three P. M. See that fellow over there at the writing desk telling the office that "our prices are too high"; "our jobber does not give us proper support"; that "the trade is luke-warm to our policy"; etc., and once again etc. Working? He'll say so. Working hard to think up excuses as to why they didn't buy, instead of applying "thought-out" reasons why they should. Working hard on a voluminous report to justify its not going over, instead of efficient efforts to put it over. Working uselessly with the worry of "will I get by with it," instead of working incessantly to get the "buy of it."

More grief is spilled over the order we didn't book than joy over the one we did, and why not? Selling is the game we play, and when we do not successfully sell, we WORK when we try to show the Boss that the game was fixed.

Are conditions changeable? Yes? Then change them to boost for you. But they are not changeable, you say.

All right then, have it your way, but why an order when they are favorable and an "excuse" when unfavorable? Man, don't you see that Conditions are naturally neutral, neither for you nor against you! When you land, you are a salesman, when you don't, it's Alibi-e-tis!

One-half the time spent in bemoaning Conditions if spent in preparing for Conditions would vanquish Conditions.

Frequently a sale blows by because we did not get going with our second wind. We exert only 60 per cent of our ability, the remainder lies dormant to be used up in passing the buck. We try to make the steep hill of Success on high, and then holler "the hill's too steep." Why not shift the gears of our latent ability and land with ease over the top? How about it?

Be honest with yourself. When you book the order, shoot it in. When you don't, face the facts like a regular salesman should. Take inventory of yourself. See just what Ability stock needs replenishment and load up prepared to deliver the goods on your next attempt.

Stripped to the bone, Alibi-e-tis is Failure's apology for that lack of performance that Honest Efforts would have achieved.

Alibi-e-tis is nothing more than the futile exercising of over-worked excuses that were old when Columbus was a boy.

Alibi-e-tis so beclouds our vision that we hide behind the theory that "the terrible snow-storm"; that "general business depression"; that "the big convention in town" might have or would have prevented the sale, whereas deep down in the recess of our Conscience we know that Alibi-e-tis not only actually prevented the possible sale, but—now get this—positively prevented the actual attempt. Then the ear-full to the House on how "Conditions put us up against it."

Your selling proposition is either right or it's wrong. If wrong, no Conditions can start it; if right, no Conditions can stop it!

If wrong, don't tackle it. If right, Conditions can be made to help you send Orders to be filled as readily as Excuses to be filed.

Study your sales product from every angle. Know more about it than any other man on earth. Think up so many YES reasons for its purchase that the battery of NO excuses for its turn down will not even dent your armor of faith in its merits.

Engender a spirt of Confidence to truthfully feel that not only can it be sold, but that you are the man to sell it.

Suppose you do occasionally fall down? Maybe the fates so fixed it to curb your conceit, but when you do, don't bury yourself with alibis. Stand on your own feet and say, "Dammit, man, I missed, but I'll score the next time up," and then proceed to do it.

Remember, it's not your Dealer, your Territory, your Product, or your House. It's you, always YOU and when you admit this proven truth, you've sounded the death-knell of Alibi-e-tis.

Phillies
(BAYUK PHILADELPHIA PERFECTO)
Havana Ribbon
Mapacuba
Charles Thomson
Prince Hamlet
BAYUK BRANDS BUILD BUSINESS

Cuban Leaf Tobacco Crop Report

THE 1937 Cuban leaf tobacco crop, according to figures published by the Cuban Tobacco Defense Commission, totaled 54,615,128 pounds, an increase of 31 per cent. over 41,544,907 pounds in 1936, and of 30 per cent. over 41,913,305 pounds in 1935. The 1937 crop is the largest since 1931, when 80,670,339 pounds of leaf were harvested, while the record crop of 95,536,820 pounds was harvested in 1926.

The increase during 1937 was due mainly to the fact that production in the Remedios zone, of 30,114,432 pounds, exceeded that of 1936 (16,381,530 pounds) by 13,732,902 pounds, or 84 per cent. This is the largest crop since 1931, when 46,442,000 pounds were harvested in the Remedios zone.

The 1937 output in the Oriente zone, of 2,093,495 pounds, showed an 11 per cent. increase over 1,880,352 pounds in 1936, although appreciably less than the 4,887,000 pounds produced in 1931. Also, the yield of Partido (Habana Province) tobacco in 1937 of 1,153,920 pounds noted a slight advance over 1,137,920 pounds in 1936, when production was next to the lowest on record in that zone, namely, 1,004,000 pounds in 1932. The Partido zone has been declining for many years as a source of Cuban tobacco, the record yield having been 7,839,920 pounds in 1911.

The 1937 Vuelta Abajo (Pinar del Rio Province, and the most valuable Cuban tobacco) crop, amounting to 19,055,033 pounds, while slightly less (3 per cent.) than 19,574,832 pounds in 1936, was otherwise the largest since 1931, when it totaled 23,373,000 pounds. The Semi-Vuelta (Pinar del Rio Province) crop of 1937, amounted to 2,198,248 pounds, and was also less (14 per cent.) than the 1936 production of 2,570,273 pounds. However, with this exception, it was the largest crop since 1931, when it reached 4,488,000 pounds.

Growing conditions were especially favorable during the 1937 crop year, indicated by the fact that while the area planted to tobacco increased from 108,588 acres during 1936 to 122,178 in 1937, or only 13 per cent., production increased 31 per cent.

Sales of Cuban leaf tobacco in Habana in January 1938 totaled 8740 bales, consisting of 4614 Remedios, 4024 Vuelta Abajo, and 102 Partido. Reports from the Interior indicate that the 1938 tobacco crop of Cuba will be a very satisfactory one. Harvesting continued in the Vuelta Abajo and Remedios zones and was terminated in the Partido zone. The Partido crop reportedly exceeds that of 1937 and consists of a better grade of tobacco (wrapper).

According to preliminary figures released by the Cuban Tobacco Defense Commission, imports of American cigarettes into Cuba during 1937 will probably reach the highest total on record. During the first eleven months of 1937, arrivals of American cigarettes totaled 50,372,640 pieces, an increase of 24 per cent. over 40,506,800 in the same 1936 period, and 52 per cent. over 33,046,370 in the first eleven months of 1935.

This increase was due to the tariff concessions on American cigarettes granted to the United States under the Reciprocal Trade Agreement, effective September 3, 1934. As a result, sales of American cigarettes in Cuba have increased sharply, and during the first eleven months of 1937 amounted to roughly 1.1 per cent. of the total consumption of cigarettes in Cuba, notwithstanding that their retail price is approximately four times as high as that of the locally manufactured products.

Fair Trade Committee Aids Retailer

MAKING rapid strides in their effort to aid the retailer, the New Jersey Fair Trade Committee, during its short existence, has made an enviable record for itself. To date, quite a number of manufacturers have been contacted; quite a few have already signed, while still others are preparing to enter into price maintenance. The committee, thus inspired, is quite enthusiastic about its plans towards a favorable goal.

Several large confectioners are considering adopting Fair Trade measures and a few of the larger cigarette manufacturers are said to be more interested in Fair Trade than ever before.

The committee has enlisted the support of the Tobacco Salesmen's Association, through its president, Joseph Ullrich. This group of men is doing wonderful work in its contact with retailers with the aid of the committee.

"We have taken the initiative," Milton J. Benjamin, secretary of the committee, said, "to determine the legality of issuing coupons with cigarette purchases. At the instance of the Fair Trade Committee—which includes Messrs. Bernard Kirsch of the New Jersey Tobacco Co.; Herman Wolsky, president of the Essex County Retailers Association; Nathan Carris, chairman; Harry Garland, president of the Passaic County Retailers; A. Sinofsky, president of the Bergen County Retailers; Joseph Pazen, president of the Hudson County Retailers; Ben Misroch of the Majestic Candy Co., and Joseph Kolodny, executive secretary of the National Association of Tobacco Distributors and the guiding member of this committee—it was decided to turn the matter over to the attorney for the Fair Trade Committee, because this angle had been the independent retailer's 'bone of contention' for a long time.

"Harold Krieger, the attorney, has been working on the case for over two weeks. Whatever the outcome may be is a matter of conjecture, for, due to certain technicalities beyond our control plus the time element entering into it, I feel that I cannot make a prediction as to the outcome. It looks favorable. One thing is certain," he continued, "we will not be caught asleep at the switch."

The New Jersey Fair Trade Committee hopes that this progressive step will be picked up by other committees, particularly by those States bordering New Jersey.

HE SELLS TOBACCO TO THEM ALL

But Branch Bobbitt, like so many other independent experts, prefers Luckies...

"AT AUCTIONS in my warehouse in Farmville, North Carolina," says Mr. Branch Bobbitt, "the higher the tobacco sells for, the better my profits. So I'm always glad to see Lucky Strike buyers in there bidding. They know what they want and they'll keep bidding right up until they get it.

"Well—in a cigarette—it's the tobacco that counts. I know tobacco and I know *what* tobacco is in *what* cigarettes. So that's one reason I've smoked Luckies for 5 or 6 years."

Mr. Bobbitt represents the "aristocracy" of tobacco experts. He judges the tobacco that the growers grow. He's impartial, not connected with any cigarette manufacturer.

Many other experts agree with Mr. Bobbitt. Sworn records show that, among independent tobacco experts, Luckies have twice as many exclusive smokers as have all the other cigarettes combined.

LUCKY STRIKE *Sworn Records Show That...*

WITH MEN WHO KNOW TOBACCO BEST-IT'S LUCKIES 2 TO 1

HAVE YOU HEARD "THE CHANT OF THE TOBACCO AUCTIONEER" ON THE RADIO?

When you do, remember that Luckies use the finest tobacco. And also that the "Toasting" process removes certain harsh irritants found in all tobacco. So Luckies are kind to your throat.

Copyright 1938, The American Tobacco Company

American Tobacco Co. Annual Report

A CONTINUED healthy rise in sales and a substantial increase in earnings are reported by George W. Hill, president of the American Tobacco Company, in a letter to stockholders accompanying the annual report for 1937.

"It is gratifying," he adds, "that we were able to accomplish this latter result and at the same time pay higher prices to tobacco growers and higher wages to our employees.

"I am glad to take this opportunity to say a word of appreciation of the good work of our employees. Their zeal in maintaining the high standard of quality of your company's products—which is essential to continuing success—their energy and application in promoting your company's affairs—have contributed largely to the favorite result reflected in this report."

Net income for the year 1937 amounted to $26,197,493.03. After deducting dividends of $3,161,982 paid on the Preferred Stock, the company earned $5.03 per share on 4,575,044 shares of Common and Common B stock outstanding at the close of the year.

The consolidated balance sheet of the company as of December 31, 1937, sets forth assets and liabilities as follows:

ASSETS.

Cash		$21,365,946.79
Accounts receivable, customers		11,492,584.08
Other accounts and notes receivable		1,646,319.29
Leaf tobacco, manufactured stock, operating supplies, etc., at cost		137,422,278.99
Accounts receivable from subsidiary and affiliated companies		1,527,721.44
Total current assets		$173,454,850.59
Investments:		
Capital stocks of partly owned domestic and wholly owned foreign subsidiaries	$24,269,551.81*	
Other investments, including $101,995.00 deposited with State Industrial Commissions, etc., at amounts not in excess of cost	2,064,240.06	26,333,791.87
Mortgages, loans and accounts receivable		909,808.96
Real estate, machinery, fixtures, etc., at cost (less allowance for depreciation, $11,408,980.07)		17,696,179.96
Prepaid insurance, etc.		1,528,967.68
Brands, trade-marks, patents, good will, etc.		54,099,430.40
		$274,023,029.46

*The American Tobacco Company's equity in the net assets of these subsidiaries, as shown by their balance sheets at December 31, 1937 (net assets of foreign subsidiaries converted at constant rates of exchange which result in a lesser amount than if converted at prevailing rates), including intangible assets of $3,984,351.87, aggregated $25,051,367.76.

LIABILITIES.

Notes payable to banks in 1938		$21,697,000.00
Accounts payable		1,982,448.49
Dividend on preferred stock for quarter ended December 31, 1937, payable January 3, 1938		790,495.50
Interest accrued		324,378.73
Provision for advertising, taxes, etc.		7,316,505.51
Accounts payable to subsidiary and affiliated companies		277,937.67
Total current liabilities		$32,388,765.90
Note payable to bank, February 1, 1939		1,739,000.00
Serial debentures:		
3¼ per cent., maturing February 1, 1940	$1,792,000.00	
3½ per cent., maturing 1941 to 1948	16,740,000.00	18,532,000.00
Six per cent. bonds, maturing October 1, 1944		126,650.00
Four per cent. bonds, maturing August 1, 1951		831,250.00
Scrip and convertible dividend certificates not yet presented for redemption or conversion		7,324.00
		$53,624,989.90

CAPITAL.

Capital stock:		
Preferred, six per cent. cumulative, par value $100 per share, authorized 540,106 shares, issued and outstanding 526,997 shares	52,699,700.00	
Common, par value $25 per share, authorized 2,000,000 shares, issued 1,609,696 shares (including 11,200 shares in company's treasury)	40,242,400.00	
Common B, par value $25 per share, authorized 4,000,000 shares, issued 3,134,164 shares (including 157,616 shares in company's treasury	78,354,100.00	
	$171,296,200.00	
SURPLUS	60,024,136.30	
	$231,320,336.30	
Less, Treasury stock, at cost:		
11,200 shares of common stock and 157,616 shares of common stock B	10,922,296.74	220,398,039.56
		$274,023,029.46

CIGARETTE TAX REDUCES WAGES AND EMPLOYMENT

By MILTON J. BENJAMIN

Acting Secretary, National Association of Tobacco Distributors

THOUGH the Mayor's proposal to impose a one cent (1¢) tax per package of cigarettes concerns only New York City, and is, therefore, a local issue, I ask your indulgence for a few moments to voice the attitude of, and to acquaint you with the general experience with such proposals, as gathered by the National Association of Tobacco Distributors, an organization comprising the major number of wholesale distributors in the United States.

As the parent organization, we fully endorse and subscribe to the views to be expressed by the gentleman representing the wholesale distributors of New York. It has been our sad experience to find that whenever a community adopted any such tax, the cigarette business of that community was sharply curtailed and we found a large portion of the volume diverted to the distributors operating in borderline territories.

Of even greater significance, is the fact that it invites a great deal of evasion, smuggling, and other distasteful practices reminiscent of the erstwhile prohibition days.

We will be glad, if your honorable body so wishes, to compile a special brief outlining in detail the unpleasant experiences of other cities. In many instances, the repeal of the tax was urged by its initial sponsors and proponents.

Another phase of this issue must be given serious consideration. An ordinary package of 20 cigarettes is already burdened with a 6¢ federal tax—more than 50 per cent. of its initial cost. For your information, popular brands of cigarettes are billed to the wholesale distributor at $6.25 a thousand, less a trade discount of 10 per cent., and a cash discount of 2 per cent., or $11.02 per package. Mind you, more than one-half of this goes to the Federal Government.

Add to this the 2 per cent. sales tax already in existence in New York City. How much additional tariff can be imposed on this product? If you further realize that the average working man smokes a pack or two a day, this prohibitive tax, if imposed on those whose earnings are in the lower brackets, coupled with the diversion of cigarettes into neighboring communities—which cannot but help to deprive the City of a vast portion of the income it is seeking—would render this form of taxation inadequate, impractical, and unenforceable.

May I also add that in those communities where these experiments were tried, a great hardship was placed upon the employees of the distributors because a reduced volume of a product like cigarettes could have only one consequence, and that is, a sharp reduction either in salaries or in numbers of people employed.

We, therefore, appeal to you to take heed of the protests of our New York colleagues and abandon the idea of further shouldering the cigarette burden.

The foregoing is the text of a brief presented before the Finance Committee of New York City Council, in City Hall, on March 25th.

KING EDWARD

2 for 5¢ Cigar

MORE RINGS ON YOUR CASH REGISTER

NOW America's biggest seller and steadily growing bigger. King Edward produces more rings on the cash registers of cigar dealers and jobbers; puts more profits in their pockets than any other brand.

Keep King Edward on top of the counter. Have ample stocks on hand including the handy ten-pack which promotes 25c unit sales. Turn King Edward's popularity into profits for yourself.

JNO. H. SWISHER & SON, Inc.

Cigar Manufacturer JACKSONVILLE, FLORIDA

FAIR TRADE ACTS—FARCE OR FACT?

By MILTON J. BENJAMIN
Chairman, National Council of Fair Trade Secretaries

FRANKLY, I do not know how to begin this article. Should it be treated as a drama, a tragedy or a farce? That's the question! This article revolves around fair trade and the co-operation of the manufacturers . . . or should I say, the lack of co-operation. One doesn't have to be a seer to predict the outcome of fair trade. The acts, in a number of States, are here to stay. They have a place . . . and a good one, at that . . . in the business life of every wholesaler, retailer and manufacturer.

I stated at the outset, that I didn't know how to start this article and I meant it. Yet it might not be a bad idea to start at the top, with the manufacturer.

Now, Mr. Manufacturer, the hard-working retailer is an honorable fellow. He's appreciative and he will do everything to give your product real sales, if you will show him that you are working with him. Don't let him down. Cut out kidding. Let's be serious. You know what it's all about as well as we do. Why not hop on the band wagon and let all—you, the wholesaler and the retailer—go places!

For real co-operation and unselfish aid, the industry owes a vote of thanks to Joseph Kolodny, executive secretary of the National Association of Tobacco Distributors and its alert board of directors. They have prepared and printed a pamphlet, "Fair Trade Facts," a catechism on fair trade information, which they are circulating, free, to the trade. They have also printed, at their expense, petition forms to enlist the support of the big cigarette companies by interesting them in price registration. All this to help the independent retailer. They should be commended for such splendid co-operation.

Mr. Retailer, give the National Association of Tobacco Distributors your co-operation. And by all means, inspire your Fair Trade Committee by continuing to support them in their crusade to enlist manufacturers. All you have to do, Mr. Retailer, is to back up your Fair Trade Committee; it is backing you.

Finally, Mr. Manufacturer, what will it be? Will you make the cause a fact or farce?

Be big! Help the independent retailer! Register your product NOW!

KOLODNY HITS TRAIL

JOSEPH KOLODNY, executive secretary of the National Association of Tobacco Distributors, portfolio and all, has left the New York headquarters of the N. A. T. D. for his scheduled series of "little convention" meetings. With him also is the four-reel movie of the convention held in New York, which is to be shown at these meetings.

He is expected to be gone for about three weeks, during which he will, among other places, make stops in Chicago, Denver, Salt Lake City, Butte, Montana, Seattle, San Francisco and Phoenix, Arizona. Other stops will include regional meetings where he will organize groups to be affiliated with the N. A. T. D.

While a well-prepared, attractive booklet containing a complete report of the New York convention is being mailed to all members of the trade, Kolodny has provided himself with a sufficient supply to take care of immediate demands during these meetings. The N. A. T. D.'s pamphlet, "Fair Trade Facts," and the petitions requesting cigarette manufacturers to register for price maintenance, complete the bulk of the paraphernalia he has with him to round out a far-reaching program.

Mr. Kolodny has expressed the belief that the trade will welcome the progressive steps adopted by the N. A. T. D. and that the industry will respond enthusiastically.

PREMIUM PRICES FOR SMOKES

SALES of cigarettes from continental United States to Puerto Rico gained during January in spite of the five-week longshoreman's strike, in the course of which the stock of American-made cigarettes were at one time almost completely exhausted, according to a statement by the Puerto Rican Trade Council.

"Cigarettes from the States were reported as selling as high as 50 cents a package late in January, although the normal price is 14 to 15 cents," the council states. "Shipments to the Island in January are reported by the United States Department of Commerce as 68,040,000, with a value of $304,500, as compared with only 57,700,000 cigarettes, valued at $254,100, in the same month a year ago."

Sales of all goods to the Island from continental United States amounted to only $2,530,000 during January, the report states, as compared with shipments of $6,800,000 in January a year ago. A large percentage of the goods received came by parcel post. Business leaders on the island estimate permanent losses up to $2,000,000 owing to the shortage of food and other quick consumption merchandise during the strike, but anticipate that much of the loss will be regained during the next few months.

"WHAT'S MY NAME?"

"Johnny Presents" three programs each week on radio. Signing of the contracts for a third network program, starting March 25th, was recently announced by the Biow Company, which handles the Philip Morris account. The new program, heard over WOR, Newark, WGN, Chicago, and WLW, Cincinnati, will be on the air Fridays at 8 P. M., E. S. T. It is to be called "What's My Name?" and is an audience participation program, based on a parlor game.

Johnny the Call Boy will bring persons out of the audience, while Arlene Francis, radio star, and Eric Rolfe, another good vocal impersonator, will imitate celebrities and noted characters of history. Then when the actor asks, "What's My Name?" the person answers. If he's correct on the first one he gets $10 and a humidor of Philip Morris cigarettes. If he misses, the reward is $9, and so on down until he misses his fifth guess, and then he gets $5 even if he's wrong.

NOW "MUSICAL COLLEGE"

American Tobacco Co. replaced its "Your Hollywood Parade" program on NBC, produced in Hollywood by Warner Brothers, with Kay Kyser's "Musical College," beginning March 30. The time contract with NBC has been renewed, effective the same date. The program is broadcast from 10 to 11 P. M., Eastern Standard Time, each Wednesday over seventy-seven stations of the NBC-Red Network.

FREIGHT CHARGE INCREASE

ON THE afternoon of Tuesday, March 8th, the Interstate Commerce Commission handed down their decision in ex parte 123 covering the application of the rail carriers for a general increase of 15 per cent. on all freight charges. The decision specifically states that the carriers did not justify the full 15 per cent. which they requested, but that the conditions were such that an advance was necessary to sustain the railroads.

The Commission authorized a general increase of 10 per cent. in all existing rates and charges, including those for accessorial services, such as switching, stopping in transit, etc., but made the following exceptions:

No increase whatsoever was authorized in the rates on bituminous coal or coke, but an increase of 10 cents per ton was authorized on anthracite coal.

An exception was also made of products of agriculture, on which they authorized a 5 per cent. increase. Thus the increase on unmanufactured leaf tobacco would be 5 per cent., instead of 10 per cent.

The Commission specifically indicated that these increases would not be pyramided over recent increases in rates such as became effective in the latter part of 1937.

It will be recalled that in 1937 the carriers attempted to increase the rates on all manufactured and unmanufactured tobacco, but we secured a suspension order from the Commission and presented extensive evidence in opposition to any increase in the freight rates (I. & S. Docket 4363).

The Commission authorized the carriers to put these rates into effect ten days after the official notice to the Commission and the public, but that such increases must be made effective before July 1, 1938.

CHESTERFIELD TO BROADCAST BASEBALL SCORES

The nation's baseball fans will be brought scores and comment on leading games of the day in a new six-days-a-week series starting on NBC April 18th under the sponsorship of Liggett & Myers for Chesterfield cigarettes. A split Red Network of about fifty stations will be used. The program will be titled the "Chesterfield Daily Sports Column" and will feature Paul Douglas. The first broadcast tentatively is scheduled from Boston, where the world champion New York Yankees will open the American League season against the Boston Red Sox. Douglas will visit other big league cities as important games come up, and thus be able to give fans first-hand pictures of the outstanding games of the season.

SPRUCE LUMBER
for CIGAR BOXES
It's Brighter - for the Eye
It's Lighter - for Shipping
It's Better - for the Cigars
SPECIFY SPRUCE
Uptegrove Lumber Co.
Cigar Box Lumber for 65 years
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"BEST OF THE BEST"
OPTIMO CIGARS
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CIGAR BOXES
Boite Nature
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Wheeling, W. Va.

Tobacco Merchants' Association Registration Bureau, 341 Madison Ave. NEW YORK CITY

Schedule of Rates for Trade-Mark Services
Effective April 1, 1916

Registration,	(see Note A),	$5.00
Search,	(see Note B),	1.00
Transfer,		2.00
Duplicate Certificate,		2.00

Note A—An allowance of $2 will be made to members of the Tobacco Merchants' Association on each registration.

Note B—If a report on a search of a title necessitates the reporting of more than ten (10) titles, but less than twenty-one (21), an additional charge of One Dollar ($1.00) will be made. If it necessitates the reporting of more than twenty (20) titles, but less than thirty-one (31), an additional charge of Two Dollars ($2.00) will be made and so an additional charge of One Dollar ($1.00) will be made for every ten (10) additional titles necessarily reported.

NEW REGISTRATION

COOKIE JAR:—46,660. For cigars and stogies only. Standard Cigar Co., Pittsburgh, Pa., February 28, 1938. (By consent of R. R. Tobin, Detroit, Mich.)

TRANSFERRED REGISTRATIONS

PRESS CLUB OF CHICAGO:—18,718 (Tobacco World). For cigars and cigarettes. Registered October 4, 1909, by Randall-Landfield Co., Chicago, Ill. Through mesne transfers acquired by Harry Landfield Cigar Mfg. Co., Chicago, Ill., and re-transferred to Press Club Cigar Co. (Harry E. Landfield, Charles D. Hybl & John Rockpany, Partners), Chicago, Ill., on February 24, 1938.

HOME PRODUCT:—18,747 (Trade-Mark Record). For cigars, cigarettes and tobacco. Registered February 8, 1898, by Witsch & Schmitt, New York, N. Y. Transferred by American Litho. Co., successors to the original registrants, to Max Roth, Los Angeles, Cal., on May 15th, 1917.

LA PANDA:—31,233 (U. S. Tobacco Journal). For cigars, cigarettes, cheroots and tobacco. Registered January 23, 1906, by Wm. Steiner, Sons & Co., New York, N. Y. Transferred by Consolidated Litho. Corp., Brooklyn, N. Y., successors to the original registrants, to Schwartz Bros. Cigar Co., Ephrata, Pa., on March 12, 1938.

PERSONALITY:—16,376 (Tobacco World). For cigars, cigarettes, cheroots, stogies, chewing and smoking tobacco. Registered October 6, 1908, by American Litho. Co., New York, N. Y. Through mesne transfers acquired by A. Gutierrez, Inc., Passaic, N. J., and re-transferred to Korn-Stewart Cigar Co., Inc., New York, N. Y., on March 11, 1938.

HIDDEN FORTUNE:—13,944 (Tobacco World). For cigars, cigarettes, cheroots and tobacco. Registered February 2, 1903, by F. Kuhn & Bro., Philadelphia, Pa. Transferred to the Federal Cigar Co., Red Lion, Pa., on March 4, 1938.

LA MOLINDA:—21,395 (Trade-Mark Record), and **9,099** (U. S. Patent Office). For cigars. Registered September 12, 1899, and March 8, 1902, respectively, by Husted & Gessler, Chicago, Ill. Transferred by Havana Importing Co., Chicago, Ill., successors to the original registrants, to Ruy Suarez & Co., Passaic, N. J., in May, 1934.

JOSE GOMEZ:—46,664. For cigars. Registered by Ruy Suarez & Co., Passaic, N. J., on February 8, 1938. (Certificate issued upon presentation made to us that the trade-mark or trade name herein specified, though apparently not heretofore registered in any of our Affiliated Bureaus had been transferred to the registrants by the Havana Importing Co., Chicago, Ill., in May, 1934.)

OUR HIGH-GRADE NON-EVAPORATING
CIGAR FLAVORS
Make tobacco mellow and smooth in character and impart a most palatable flavor
FLAVORS FOR SMOKING and CHEWING TOBACCO
Write for List of Flavors for Special Brands
BETUN, AROMATIZER, BOX FLAVORS, PASTE SWEETENERS
FRIES & BRO., 92 Reade Street, New York

"A business that isn't worth advertising ought to be advertised for sale".

Classified Column

The rate for this column is three cents (3c.) a word, with a minimum charge of seventy-five cents (75c.) payable strictly in advance.

POSITION WANTED

CIGAR SALESMAN COVERING EASTERN PENNSYLVANIA and Local Territory desires connection. Large following. Address Box No. 580, "The Tobacco World."

CIGAR FOREMAN HAVING 6 YEARS' EXPERIENCE ON Automatic Machines, wants position. Also instructs beginners. Address Box No. 582, "The Tobacco World."

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TOBACCO WORLD

ESTABLISHED
1881

In This Issue

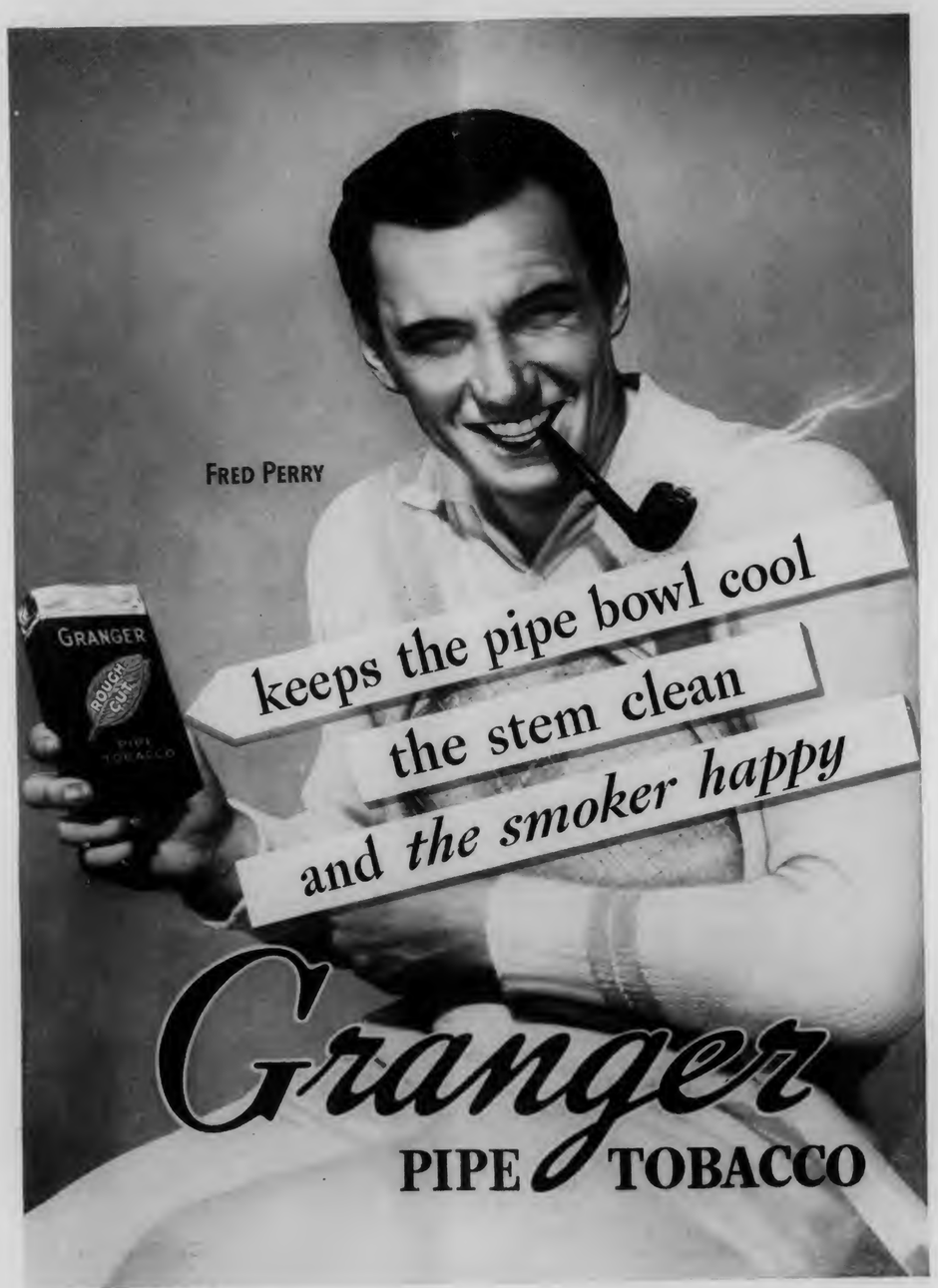
ENTIRE INDUSTRY CO-OPERATING TO MAKE FATHER'S DAY SUNDAY, JUNE 19 BIGGEST EVER

CIGARETTE TAX PER PACKAGE OF 20 LISTED FOR FIFTEEN STATES

NINE MONTHS FIGURES FOR FISCAL YEAR SHOWS GAIN FOR CIGARETTES

CIGARS OFF IN U. S. IN MARCH BY 7.53%; CIGARETTE GAIN IS 7.32%

THE TALK OF THE TRADE



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Hobart B. Hankins—*Editor* *Associate Editor*—John Cleary

THE TOBACCO WORLD

Vol. 58 MAY, 1938 No. 5

THE day set aside to honor our fathers—Sunday, June 19th—is not far away. And it is the one day in the year when, if possible, his children should be with him to brighten the gathering twilight which foretells the long night to come, sooner or later, for him. This is the least we can do for the man who has stood by us in sickness and in health, and in the days of adversity. He is the one who has clothed us and fed us, and given us all the advantages of an education that his financial resources could afford.

A comparative small percentage of the fathers past their three-score and ten had neither the opportunity or the money with which to obtain a preparatory school and college education. But many of them mortgaged their properties and borrowed money that their sons and daughters might have the advantages of an education which were denied them. And all of this so that their children might go out in the world better equipped to escape the deprivations which they had suffered.

And so Father's Day came into being—a day his very own, an occasion for his children and grandchildren to celebrate with him under his own rooftree. Part of the day will be spent in talking about the mischief we got into and the pranks we played in our youth, and not least of all the punishment meted out for the more serious offenses.

In promoting the sentimental angle of Father's Day, we cannot overlook the fact that it has a highly important business angle as well, for sons and daughters will not go to the old homestead empty-handed. They will take with them various gifts, but *the* appropriate gift is **A Box of Cigars**. Kipling struck the nail on the head when he wrote those words, " . . . *A good cigar is a smoke.*" And there are few fathers who do not enjoy a good cigar.

Father's Day is The Big Opportunity Day, aside from Christmas, when every member of the cigar industry from the manufacturer to and including the retailer can boost his box sales of cigars. His increase in sales will be limited only by his initiative, his ability as a salesman, and his far-sightedness in taking advantage of the sales helps furnished by manufacturers. Particularly, full advantage should be taken of the cooperation offered by the cigar manufacturers.

A specific example is the extent to which Bayuk Cigars, Inc., are individually backing up the wholesale and retail trade to assist in making the sales of cigars for this Father's Day the largest in its history.

Among other things they are furnishing to retailers, window posters, counter cards, lapel buttons and the packaged cigars in special Father's Day wrappers. Surely the retail trade can not ask more. The retailers' sales and profits, on the cigars sold for this occasion, will be in proportion to the amount of real effort concentrated on box sales of cigars.

THROUGH the courtesy of Joseph Kolodny, secretary of the National Association of Tobacco Distributors, we have been able to procure a partial list of the states in which special taxes are levied on cigarettes in packs of 20's, and also three cities which are levying additional special taxes. States in which the taxes are known to us are as follows:

Arkansas	$.05	per	pack	of	20
Connecticut	.02	"	"	"	"
Georgia	.03	"	"	"	"
Iowa	.02	"	"	"	"
Kansas	.02	"	"	"	"
Kentucky	.02	"	"	"	"
N. Dakota	.03	"	"	"	"
Ohio	.02	"	"	"	"
Oklahoma	.03	"	"	"	"
Pennsylvania	.02	"	"	"	"
S. Dakota	.03	"	"	"	"
Texas	.03	"	"	"	"
Utah	.02	"	"	"	"
Vermont	.01½	"	"	"	"
Washington	.01	"	"	"	"
New York City	.01	"	"	"	"

In addition, the following states have cigarette taxes but we do not know how much they are: Alabama, Arizona, Louisiana, Mississippi, S. Carolina and Tennessee. Also the cities of Pecunia (certainly most appropriately named if you know your Latin) and Pensacola, Fla.

And so the tax bricks are piling up, one on top of another with seemingly endless borrowing by the Government, for which this unstable column of tax bricks is expected to act as a foundation. Well, we've seen some mighty clever balancing acts on the vaudeville stage, for "two bits," but it begins to look as if the admission price to this show is going to come pretty high.

▲

THE March *Tobacco Barometer*, issued by the Tobacco Merchants Association, reveals the fact that large cigars withdrawn in March, 1938, were fewer by more than 35,000,000 when compared with March, 1937. Class B managed to get a plus sign in front of its figures but neither the total production for this class nor the amount of the increase amounted to very much so far as volume is concerned. However, the gain of all classifications over February of this year approached 93,000,000.

Cigarettes made up for this February drop of more than 825,000,000 with a March increase of more than 936,000,000 over March of 1937. Snuff withdrawals were better than March a year ago by 250,000 pounds.

The TOBACCO WORLD (established 1881) is published by Tobacco World Corporation; Hobart B. Hankins, President and Treasurer; John Cleary, Secretary. Office, 236 Chestnut Street, Philadelphia, Pa. Issued monthly. Subscriptions, available only to those engaged in the tobacco industry or trade, $1.00 a year, 15 cents a copy; foreign, $1.75 a year. Entered as second-class mail matter, December 22, 1909, at the Post Office, Philadelphia, Pa., under the Act of March 3, 1879.

For the first nine months of the fiscal year cigars made in the United States were less by 142,000,000 than for the same period in the fiscal year of 1937.

Cigars from the Philippine Islands exceeded the March, 1937, figures by nearly 3,300,000, while for the first nine months of the fiscal year withdrawals gained more than 35,370,000 over the previous fiscal period.

It seems obvious that the cigar industry is hitting its stride. If the progress made thus far may be taken as a criterion for the entire calendar year we may well anticipate a better year than it has known in a long time. And this despite the handicaps of Federal, state and local taxation of all descriptions with which the buying public (smoking and non-smoking) is becoming pretty thoroughly dissatisfied.

▲

CIGAR production figures for the industry in Tampa, Fla., for the month of March represented the largest March output since 1930, and sort of cheered up the tax bedevilled gentlemen who manufacture cigars in that city. This fact should really be kept a secret because as soon as this news gets around in Washington, D. C., covetous eyes will be peering in that direction, and pencils will be busy trying to figure out some kind of a new tax, gentle but persuasive, to prevent the cigar manufacturers in that city from becoming enthusiastic over the possibility of actually making a profit and being allowed to keep some of it.

LOOK OUT NEBRASKA, HERE WE COME

According to our contemporary *Smoke*, the State of Nebraska still has its feet on the ground when it comes to taxation, but we are afraid if too much noise is made about it the present situation won't last long. In fact we can't figure out how it has lasted this long, assuming that the above statement is still correct.

Twenty-one merchants in Topeka, Kansas, recently paid for an advertisement in a Topeka newspaper which read as follows:

"Kansas legislators, do you know that Nebraska, a sister state, located in a region as agriculturally sound as Kansas, and with the same problems of government expense—has no cigarette tax? No income tax, no corporation tax, no bonded debts?"

We didn't know it either, but we are afraid that by the time we get there somebody will tell the Nebraska legislators to get busy and do something about it.

LOUIS E. FIRTH IS DEAD AT NINETY-THREE.

Louis E. Firth, who died recently at his residence 277 Park Avenue, New York City, at the age of ninety three, was a former Philadelphian who attended St. Francis Xavier School here and later graduated from Seton Hall College at Newark, N. J. He then entered the tobacco business as a partner in the firm of Bowne & Firth. He gave up the tobacco business and entered the steel business from which he retired in 1885. Services were held in St. Patrick's Cathedral, New York, on Monday, April 25th.

STANDARD COMMERCIAL TOBACCO CO. SEEKS TO REORGANIZE UNDER 77B.

THE Standard Commercial Tobacco Company, Inc., which acquired control of Axton-Fisher Tobacco Company in 1936 for a sum said to have been $2,960,268 has filed a petition in Federal Court signed by Ery Kehaya, President, seeking permission to reorganize the company under Section 77B of the Bankruptcy Act.

The petition lists assets of $5,091,323 and liabilities of $2,485,428. Of this sum $2,114,541 represents current obligations. Stock liability is not included.

When Standard Commercial Tobacco Company secured control of Axton-Fisher Tobacco Company, Inc., by the purchase of 80,160 shares out of Axton-Fisher's 112,012, the former company was engaged in the importation and exportation of Turkish leaf tobacco, as well as other tobaccos for the manufacture of smoking and chewing tobaccos. Axton-Fisher Tobacco Company, Inc., the petition avers, became the principal customer of Standard Commercial Tobacco Company, Inc.

It is believed in some quarters that the difficulties which face the Standard Commercial Tobacco Company may be overcome, and the business continued. It is said that steps are being taken to negotiate a loan from the Reconstruction Finance Corporation.

E. D. Axton, president of Axton-Fisher Tobacco Company has announced that the company's operations are in no way affected by Standard Commercial Tobacco Company's decision to undertake reorganization under Section 77B of the National Bankruptcy Act. He pointed out that Axton-Fisher Tobacco Company is an entirely separate corporation.

DEITIES MAYFAIR BLEND PROTECTED

P. Lorillard Company announces that on April 1st that company "price protected" under the Fair Trade Act in the States of New York and New Jersey their new cigarette, Deities Mayfair Blend. The minimum retail price is 15 cents for a pack of 20, and $1.38 for a carton of 200. This is an open brand and will be available to all direct customers of the P. Lorillard Company.

The brand was signed up for New York in the main office of the Metropolitan Tobacco Company, New York City. Edward Grauer signed for the jobbers and the following: Messrs. Wm. Hollingsworth, Sam Katz, Ben Horowitz and Moe Weinstein signed for the retailers and L. Gruber signed for the manufacturers with Geo. Gross also of P. Lorillard Company as a witness.

The brand was signed up for New Jersey in the Newark office of the New Jersey Tobacco Co., Bernard Kirsch signed for the jobbers and H. Wolsky signed for the retailers and J. J. McNeish signed for the manufacturer with R. Hailes also of P. Lorillard Company as a witness.

SUNDAY P. M. CLOSING URGED IN N. Y. C.

The Tri-Boro Store Association of New York City strongly favors the closing of retail stores at 1 P. M. on Sundays, except during the period from May 30th to Labor Day. The Association feels so strongly on the subject that it has unanimously endorsed a bill which would prohibit sales after 1 P. M. on Sundays, except during the period specified above.

WHAT DOES JUNE 19 MEAN TO THE CIGAR INDUSTRY?

Every year—for years—merchants of the United States have made millions of dollars in additional sales through the promotion of Mother's Day.

Each year—for the past 10 years—Bayuk Cigars Inc. has spent thousands of dollars—and sold millions of additional cigars—through its promotion of FATHER'S DAY.

June 19 is Father's Day this year. Bayuk urges the cigar industry—manufacturers, distributors, salesmen and dealers—to join us in taking full advantage of Father's Day. All can play a part by furnishing—as we do—and making proper use of—window posters, counter cards, lapel buttons and special Father's Day wrappers.

Bayuk *knows* that Father's Day promotion will *sell* cigars. The experiences of thousands of dealers, who have featured cigars as gifts on Father's Day, prove it.

June 19 does mean much to the cigar industry. It means millions of extra dollars in the cash registers of dealers. It means a great increase in the sale and consumption of cigars. It means advancement for the whole cigar industry.

BAYUK CIGARS INC.

Jos. Bayuk

President

W. A. Hollingsworth Says New York City Cigarette Tax Harms Trade

Predicts Commuters Will Buy Their Cigarettes in Suburbs Where Tax Does Not Exist and Supply Friends As Well

DESPITE strenuous opposition, the 1-cent tax on cigarettes in packages of 20 will become effective in New York City on May 1st. The new law was adopted by the City Council on April 5th, and although every effort has been made to secure reconsideration it seems unlikely at this writing that any change will be made. This tax is one of a number designed to raise additional funds for relief purposes.

At the present time the tax is to be operative only from May 1st to June 30th—two months—but, like a lot of other emergency taxes promulgated by the Federal Government, states and cities, imposed for only a short period they usually run on like Tennyson's "Brook"—"forever." Once they get on the statute books, try and get them off.

In addition to the 1-cent tax on 20 packs of cigarettes, those tins or larger packs containing more than 20 and less than 40 must have two 1-cent stamps attached while packs of 50 must carry a 3-cent stamp.

William A. Hollingsworth, president of the Retail Tobacco Dealers of America organization, with his usual energy has fought the law every inch of the way and has been ably supported by executives of numerous other tobacco dealers and jobbers associations. However, while this law is a serious blow to the retailers in New York City and undoubtedly will prove an expensive experiment to them, it may also be the means of enlightening New York City Council. They may find that they are chasing a rainbow.

The stamps are to be applied by the jobbers who will be allowed a discount of 10 per cent. if applied by hand and 6 per cent. if metering devices are used. New York City jobbers estimate that this labor of stamping the packages or cartons will entail an additional expense that would run into $1,000,000 annually.

In an article released for the New York dailies by Mr. Hollingsworth he said:

"The proposal of New York City to raise an additional $3,000,000 a year for relief by imposing a tax of one cent on each package of cigarettes is wholly unsound. This was clearly demonstrated by representatives from every section of the city who attended hearings on the bill before the Finance Committee of the City Council.

"Authentic records have been presented showing that a city tax on cigarettes is impractical and almost impossible to enforce effectively. Kansas City, Mo., is a striking example. A cigarette tax was tried out. It was estimated that it would yield $25,000 a month. The ordinance required tax stamps to be affixed to each package, just as is provided in the New York proposal. It was a failure from the start. During the last five months before it was repealed by its sponsors, including the Mayor, the tax yielded only an aggregate of $22,681, less than one-fifth the estimate. In Sedalia, Mo., a similar tax produced less than one-tenth the estimate and was repealed after four months during which less than $1200 was collected including lisense fees from merchants, though they had anticipated $50,000 a year.

"The estimate assumes that six billion cigarettes are sold annually in the city and that on this quantity $3,000,000 would be collected. It is a fallacious estimate. We have shown that it would be impossible to obtain this amount. It is inevitable that the sale of cigarettes in the city would fall off sharply and would be diverted on a large scale to New Jersey, Westchester and Long Island. It is easy to visualize signs all along the main highways and entrances to the city, 'Buy Your Cigarettes Here. Save The New York City Tax.' That saving is considerable. On a carton of 10 packages it is 10 cents and on a small container of 25 cartons it would amount to $2.50.

"Nearly a million people enter the city daily from nearby communities. Those who pay fares or tolls to use the tunnels, tubes, ferries, bridges and railroads number about 600,000. To these must be added the uncounted numbers who enter by car on highways or bridges where no fares are collected. These commuters will not only buy their own cigarettes before entering the city, but will bring in supplies for friends. It is inescapable that tremendous quantities of cigarettes will come into the city from the outside on which the city will not collect a penny of tax. The geographical location of the city makes it extremely convenient for anyone to avoid payment of the tax.

"Such taxes fail because they are almost impossible of enforcement and because they are keenly resented by the public, particularly the poorer people who have to count pennies and upon whom most of the burden is placed because they consume the great bulk of cigarettes. The Federal Government collects cigarette taxes at the rate of six cents per package. The poor man who buys a package a day pays a tax of $21.90 a year to Washington even though he is unemployed and perhaps on the relief roll.

"The consequences of the proposed city cigarette tax on the 40,000 retailers of cigarettes in the five boroughs must also be considered. If a large percentage of their business is diverted to merchants outside the city, which is certain, thousands of local retail and wholesale dealers will be driven out of business and forced to seek other means of support for their dependents, and their employees will be likewise affected."

Mr. Hollingsworth has in his statement, we believe, touched on a couple of sticks of dynamite which the New York City Fathers seem to have overlooked. One of them is that commuters will not only buy their cigarettes by the carton in New Jersey, Long Island and other suburban points where this tax does not exist, and bring them into their New York offices not only for themselves but their friends as well. And this in turn will take a big slice of cigarette sales away from the New York City retail tobacconist who needs all the business he can get.

SWORN RECORDS show that among *independent* tobacco experts, Lucky Strike has *twice* as many exclusive smokers as have all other cigarettes put together. These men are auctioneers, buyers and warehousemen. They *know* tobacco and they smoke Luckies . . . 2 to 1!

Remember, too, the throat protection of the exclusive process, "It's Toasted," which removes certain harsh irritants present in all tobacco, and makes Luckies easy on your throat.

Have You Heard the Chant of the Tobacco Auctioneer

March Cigarettes Gain More Than 7%

Cigar Inerease Greater Than 7½ Per Cent. as Philippine Figures Reveal Growth in Excess of 25½ Per Cent; Snuff Also Gains

LARGE cigars produced in the United States in March, 1938, totalled 431,690,833, a decline of more than 35,000,000 when compared with the March, 1937, figures. On the other hand the March, 1938, output exceeds the February, 1938, total by 92,803,419 cigars. Only Class B of which about 4,330,000 were made in March, 1938, showed a gain over March, 1937, of 211,000 and an increase of 792,000 over February of 1938. Little cigars declined more than a million as compared with March a year ago but picked up more than 600,000 over the February, 1938, production. Cigarettes increased more than 900,000,000 in relation to March, 1937, and exceeded the February, 1938, withdrawals by more than two billion. Snuff gained over March, 1937, and went ahead of February, 1938, figures by more than 600,000 pounds. Smoking and chewing tobacco was off more than 567,000 pounds when checked with March, 1937, but jumped ahead of the February, 1938, statistics by more than 5,170,000 pounds.

The March Class A total in the United States amounted to more than 389,000,000 but this was not up to the March, 1937, output by more than 22,000,000 cigars. It puts this class ahead of February, 1938, however, by more than 80,000,000.

Class B with a March, 1938, production of 4,330,000 moved ahead of March, 1937, by slightly more than 200,000 cigars and was the only class of large cigars domestically produced to get in the plus column.

There were 35,000,000 Class C cigars withdrawn in March, 1938, which was less than in March, 1937, by 12,500,000 but was nearly 10,000,000 more than in February of this year.

Class D was behind March, 1937, by more than 600,000 with less than 3,000,000 withdrawn in March, 1938, but showing an upward trend over February, 1938, of almost 200,000.

The de luxe classification—E—failed to keep pace in March of this year with March of 1937. Its production was 58,000 less. On the other hand it bettered its February, 1938, mark by more than 81,000.

Cigarette production in March was up 936,395,000 over March, 1937, and gained over February, 1938, by more than 2,236,000,000.

Snuff gained 250,000 pounds over March, 1937, and was ahead of February, 1938, by more than 600,000 pounds. Chewing and smoking tobacco went down more than 637,000 pounds as compared with March,

(*Continued on page 12*)

	March, 1938		Increase or Decrease Quantity	Per Cent.
Cigars:				
Class A—				
United States	389,163,460	—	22,166,840	5.39
Philippine Islands	16,113,550	+	3,293,010	25.69
Puerto Rico	77,650	—	4,475,150	.....
Total	405,294,660	—	23,348,980	5.45
Class B—				
United States	4,330,493	+	211,416	5.13
Philippine Islands	4,217	—	233	.....
Puerto Rico	11,300	—	78,400	.....
Total	4,346,010	+	132,783	3.15
Class C—				
United States	35,024,772	—	12,503,140	26.31
Philippine Islands	3,181	—	8,879	.....
Puerto Rico	41,350	+	13,600	.....
Total	35,069,303	—	12,498,419	26.28
Class D—				
United States	2,980,000	—	623,755	17.31
Philippine Islands	5,100	—	11,250	.....
Puerto Rico	.....		.....	.....
Total	2,985,100	—	635,005	17.54
Class E—				
United States	252,108	—	57,933	18.69
Philippine Islands	20	—	530	.....
Puerto Rico	..		...	.....
Total	252,128	—	58,463	18.82
Total All Classes:				
United States	431,690,833	—	35,140,252	7.53
Philippine Islands	16,126,068	+	3,272,118	25.46
Puerto Rico	130,300	—	4,539,950	.....
Grand Total	447,947,201	—	36,408,084	7.52
Little Cigars:				
United States	15,634,000	—	1,108,240	6.62
Philippine Islands	.....		.....	....
Puerto Rico	.....	—	230,000	....
Total	15,634,000	—	1,338,240	7.88

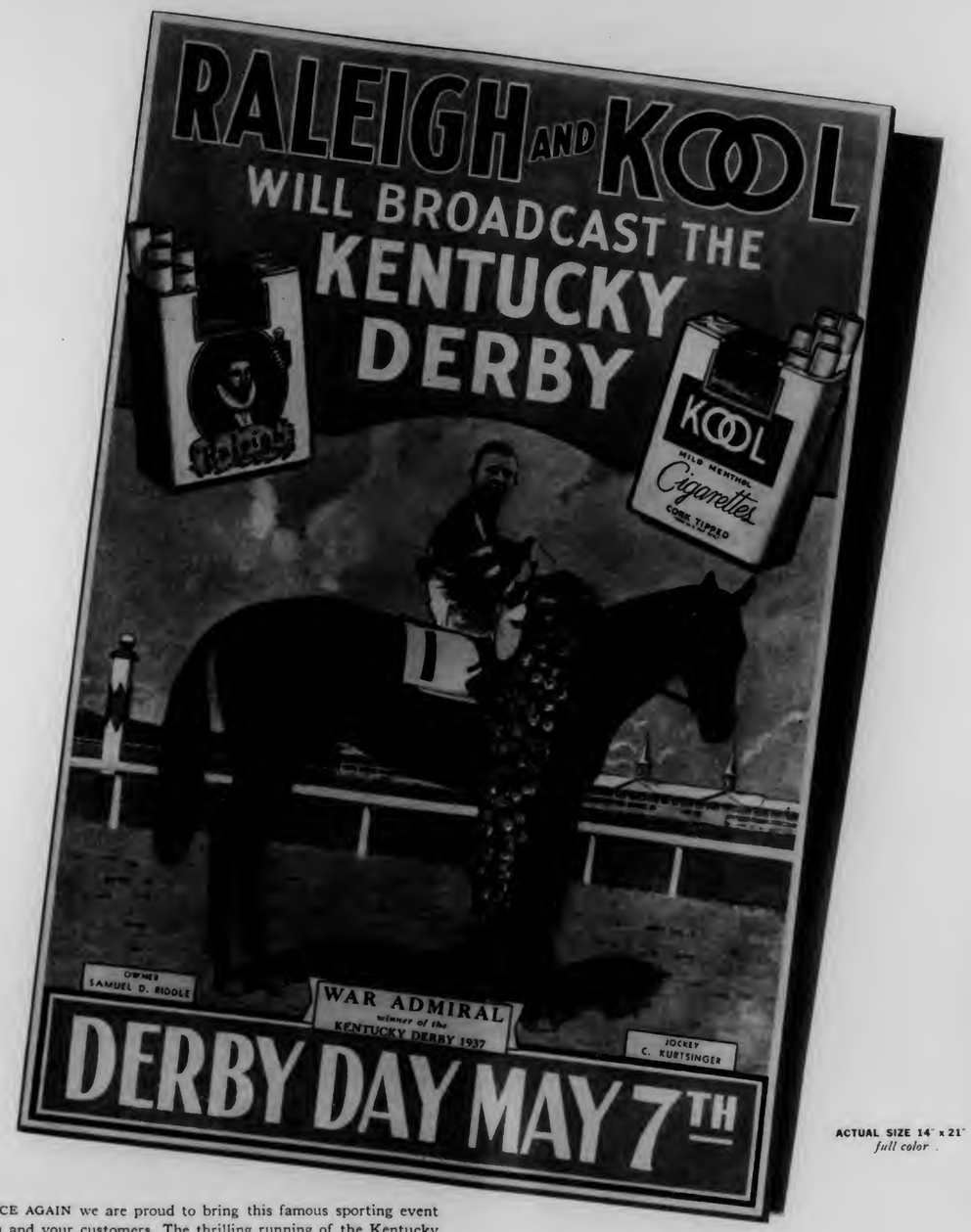
	March, 1938		Increase or Decrease Quantity	Per Cent.
Cigarettes:				
United States	13,728,119,233	+	936,395,063	7.32
Philippine Islands	20,700	—	4,050	.....
Puerto Rico	565,720	+	65,720	....
Total	13,728,705,653	+	936,456,733	7.32
Large Cigarettes:				
United States	252,847	+	16,181	6.84
Philippine Islands	.....		.....	.....
Puerto Rico	25,000	—	15,000	37.50
Total	277,847	+	1,181	0.43
Snuff (lbs.):				
All United States	3,455,955	+	250,704	7.82
Tobacco (Chewing and Smoking (lbs):				
United States	27,311,384	—	567,170	2.03
Philippine Islands	42	+	42	....
Total	27,311,426	—	567,128	2.03

Manufactured Tobacco Products Made in January, 1938 Compared With January, 1937
Month of January

Product	1938		Increase or Decrease Quantity	Per Cent.
Plug	3,726,620	—	897,266	19.41
Twist	437,425	—	65,917	13.10
Fine-cut Chewing	351,052	—	31,390	8.21
Scrap Chewing	3,153,132	+	6,061	0.19
Smoking	14,726,063	+	1,290,310	9.60
Total	22,394,302	+	301,798	1.37

Internal Revenue Collections for March

Source of Revenue	1938	1937
Cigars	$ 1,045,621.68	$1,153,413.81
Cigarettes	41,186,310.04	38,376,995.88
Snuff	622,081.54	576,945.18
Tobacco, chewing and smoking	4,916,167.37	5,018,139.72
Leaf dealer penalties	118.18	100.00
Cigarette papers and tubes	85,063.90	77,550.19
Playing cards	458,144.60	374,632.80
Matches	309,735.25	602,243.60



ACTUAL SIZE 14" x 21"
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ONCE AGAIN we are proud to bring this famous sporting event to you and your customers. The thrilling running of the Kentucky Derby will be heard throughout the nation over 101 stations of the Columbia Broadcasting System on May 7th, 6:15 to 7:00 P. M., E. D. S. T. The display card reproduced above is available to all dealers. Display it for the benefit of your customers. We hope you will enjoy this broadcast and your store profit by it.

BROWN & WILLIAMSON TOBACCO CORP., LOUISVILLE, KENTUCKY

Class B Gains First Nine Months

Cigars From Philippine Islands Gain Almost 30 Per Cent; Cigarettes Ahead Nearly 3,700,000,000 in Same Period

THE nine-months record of cigar production in the 1938 fiscal year failed to keep pace with the same fiscal period in 1937. Only Class B cigars rated as making a gain so far as the United States is concerned, while Class A cigars from the Philippine Islands improved in withdrawals by almost 30 per cent. Class A cigars in the United States are off approximately 118,575,000, and as cigars in this class are priced to come within the means of all and sundry persons who like to smoke cigars, it seems rather strange that there should be such a decline.

Of course it may be that there has been a heavy switch to cigarettes in view of the fact that in these nine months of the fiscal year their sales climbed 3,673,525,000. Considering that 122,809,000,000 cigarettes were sold in this period, the increase is not surprising. It now remains to be seen what effect the growing number of additional state taxes on them will have on their sales from now on.

For the first nine months of the fiscal year all types of chewing and smoking tobacco also declined—declined to the extent of more than 6,000,000 pounds, which is a pretty good-sized plug to chip off of the total output. And in dollars and cents it represents a substantial sum of money that was not spent for those products. Snuff made the plus column by a small fraction of a per cent., gaining about 52,000 pounds.

All classes of cigars produced in the first nine months of the fiscal year amounted to 3,873,787,758. In the previous fiscal year covering the first nine months 4,016,004,259 were withdrawn, which represents a decline of 142,216,501, equivalent to 3.54 per cent.

The largest volume of cigars produced in any class was in A of which 3,390,866,730 were made but this is a set-back of 118,574,645 when compared with 3,509,441,375 made in the first nine months of the 1937 fiscal year.

Class B with a total of 41,570,012 increased by 2,171,071, the output for the same period in 1937 being 39,398,941. This was a percentage gain of 5.51.

A drop of 23,326,524 in class C was equivalent to a loss of 5.42 per cent. Production in the nine months of 1937 was 430,767,548 while in the same months of 1938 it amounted to only 407,441,024.

In class D the production was 30,043,848 in the current fiscal year as against 32,294,670, a decrease of more than 2,250,000 or almost 7 per cent.

Class E production amounted to 3,866,144 in the fiscal months reported thus far for 1938 as compared

(Continued on Page 14)

	1st 9 Mos. Fiscal Yr. 1938		Increase or Decrease Quantity	Per Cent.
Cigars:				
Class A—				
Uited States	3,390,866,730	—	118,574,645	3.38
Philippine Islands	152,973,295	+	35,172,310	29.86
Puerto Rico	9,080,625	—	26,442,250	.....
Total	3,552,920,650	—	109,844,585	3.00
Class B—				
United States	41,570,012	+	2,171,071	5.51
Philippine Islands	296,417	+	6,091	....
Puerto Rico	299,100	—	565,200	....
Total	42,165,529	+	1,611,962	3.97
Class C—				
United States	407,441,024	—	23,326,524	5.42
Philippine Islands	239,355	+	44,081	....
Puerto Rico	582,000	+	99,900	....
Total	408,262,379	—	23,182,543	5.37
Class D—				
United States	30,043,848	—	2,250,822	6.97
Philippine Islands	351,442	+	147,391	....
Puerto Rico	.....	—	600	....
Total	30,395,290	—	2,104,031	6.47
Class E—				
United States	3,866,144	—	235,581	5.74
Philippine Islands	5,700	+	495	....
Puerto Rico	.....		...	....
Total	3,871,844	—	235,086	5.72
Total All Classes:				
United States	3,873,787,758	—	142,216,501	3.54
Philippine Islands	153,866,209	+	35,370,368	29.85
Puerto Rico	9,961,725	—	26,908,150	....
Grand Total	4,037,615,692	—	133,754,283	3.21

	1st 9 Mos. Fiscal Yr. 1938		Increase or Decrease Quantity	Per Cent.
Little Cigars:				
United States	140,930,529	+	4,757,893	3.49
Philippine Islands	.....		.....	....
Puerto Rico	796,680	—	683,320	....
Total	141,727,209	+	4,074,573	2.96
Cigarettes:				
United States	122,809,301,352	+	3,673,525,012	3.08
Philippine Islands	443,503	—	264,387	....
Puerto Rico	3,639,800	—	470,400	....
Total	122,813,384,655	+	3,672,790,225	3.08
Large Cigarettes:				
United States	2,316,318	+	336,985	17.03
Philippine Islands	1,021	—	1,951	.....
Puerto Rico	203,100	—	96,900	32.30
Total	2,520,439	+	238,134	10.43
Snuff (lbs.):				
All United States	27,927,997	+	51,923	0.19
Tobacco (Chewing and Smoking) lbs.:				
United States	222,453,094	—	6,095,110	2.67
Philippine Islands	54	+	54	....
Total	222,453,148	—	6,095,056	2.67

Seven Months of Fiscal Year Ending January 31

Product (in lbs.)	1938		Increase or Decrease Quantity	Per Cent.
Plug	32,240,722	—	2,471,660	7.12
Twist	3,767,950	—	29,605	0.78
Fine-cut Chewing	3,078,942	—	246,621	7.42
Scrap Chewing	25,834,439	—	532	....
Smoking	108,043,926	—	2,359,886	2.14
Total	172,965,979	—	5,108,304	2.87

SHE COMBS THE WORLD FOR PICTURES THAT THRILL

What Margaret Bourke-White, America's famous woman photographer, said when Ralph Martin inquired if she thought that one cigarette was as good as another

"Cigarettes seem pretty much alike to me. Do you find some difference between Camels and the others, Miss Bourke-White?"

"Camels are different, Mr. Martin, in a *lot* of ways. My nerves must be as trustworthy as a steeple jack's. Camels don't jangle my nerves. When I'm tired—I get a 'lift' with a Camel. At mealtimes, I like to enjoy Camels 'for digestion's sake.' There's something about Camels that *agrees* with me—that's what counts most."

LUMBER CAMPS, dams, skyscrapers, mines, subways (*as above*)—appeal to Margaret Bourke-White. She has gone all over the United States, to the Arctic, to far countries. Her photographs are now internationally famous for their vigor and sensational interest. They're *different!* And that's just what Miss Bourke-White said about Camels to Ralph Martin at the New York World's Fair grounds (*right*).

PEOPLE DO APPRECIATE THE COSTLIER TOBACCOS IN CAMELS

THEY ARE THE LARGEST-SELLING CIGARETTE IN AMERICA

A matchless blend of finer, MORE EXPENSIVE TOBACCOS—Turkish and Domestic

Check up on your time for hearing EDDIE CANTOR!

America's great fun-maker and personality, brought to you by Camel cigarettes, every Monday night over Columbia Network. See local newspaper for time.

Also BENNY GOODMAN'S BAND

Hear the great Goodman Swing Band "go to town." Every Tuesday night at 8:30 pm E.S.T. 19:30 pm E.D.S.T.), 7:30 pm C.S.T., 6:30 pm M.S.T., 5:30 pm P. S. T., over Columbia Network.

MISS BOURKE-WHITE is fond of doing the things most alert young women do—dancing, going to the theatre. "And," she says, "I have Camels with me. Camels make a big difference in smoking."

ONE SMOKER TELLS ANOTHER "CAMELS AGREE WITH ME"

Copyright, 1938, R. J. Reynolds Tobacco Co., Winston-Salem, N.C.

Expert growers tell their preference in cigarettes—it's Camel!

"We smoke Camels because we know tobacco," tobacco planters say

Floyd Smither, who grows tobacco, says: "Last year I grew a handsome crop. The Camel people bought up all the choice lots. I smoke Camels—so do most planters. I *know* the quality of tobacco that goes into them."

Harry C. King, a successful grower for twenty years, says: "Camel bought the choice lots of my last tobacco crop—paid more for them. So I know they use finer, more expensive tobaccos in Camels. That's why Camel is my cigarette."

"The Camel people bought the best of my last crop," says T. N. Williams, who grows fine tobacco. "There's no question—the more expensive tobacco goes into Camels. I prefer Camels, and most other planters do, too."

MODEL MARCHES ON!

UNITED STATES TOBACCO COMPANY

SPRUCE LUMBER
for CIGAR BOXES

It's Brighter - for the Eye
It's Lighter - for Shipping
It's Better - for the Cigars

SPECIFY SPRUCE

Uptegrove Lumber Co.
Cigar Box Lumber for 65 years
15 Washington St. Newark, N. J.

Established 1886
"BEST OF THE BEST"

OPTIMO CIGARS
VERY MILD VERY MILD

Manufactured by A. SANTAELLA & CO.
Office, 1181 Broadway, New York City
FACTORIES: Tampa and Key West, Florida

AUTOKRAFT
CIGAR BOXES

Boite Nature
Cedar Chests
Novelty
Wrapped

Are Outstanding In
Quality-Design-Cost

AUTOKRAFT BOX CORP.
Lima, Ohio
Chicago, Ill.
Detroit, Mich.
Hellam, Pa.
Hanover, Pa.
Philadelphia, Pa.
Wheeling, W. Va.

BAYUK'S EARNINGS RESIST DEPRESSION

According to statement just issued by A. Jos. Newman, president, Bayuk Cigars, Inc., report net earnings for first quarter ending March 31st of $152,620.81 equal, after preferred dividends, to 31 cents per share on common stock against net earnings of $152,865.29 equal, after preferred dividends, to 30 cents per share on common stock for same period of 1937.

In commenting on the outlook for the remainder of 1938, Mr. Newman stated that from the current increase in sales of their featured brands, the outlook for Bayuk offers every encouragement.

REYNOLDS METALS REPORT EARNINGS

The Reynolds Metals Company report a net profit of $1,515,920 for 1937 after depreciation, flood losses, etc., had been charged off. After dividends of 5½ per cent. on preferred stock the profit is equivalent to $1.21 a share on 1,022,742 no par value shares outstanding.

Current assets as of December 31, 1937, amounted to $8,049,193 of which $2,630,181 was in cash. Total assets at the close of the 1937 calendar year totalled $22,563,818, an increase of more than $1,234,000.

HENRY S. WALLICK PASSES AT SEVENTY-THREE.

Henry S. Wallick, of the cigar manufacturing firm of Wallick & Gohn which went out of business about ten years ago after thirty years of operation, died on April 14th at his home in York, Pa., at the age of seventy-three. Mr. Wallick was also a former cigar manufacturer.

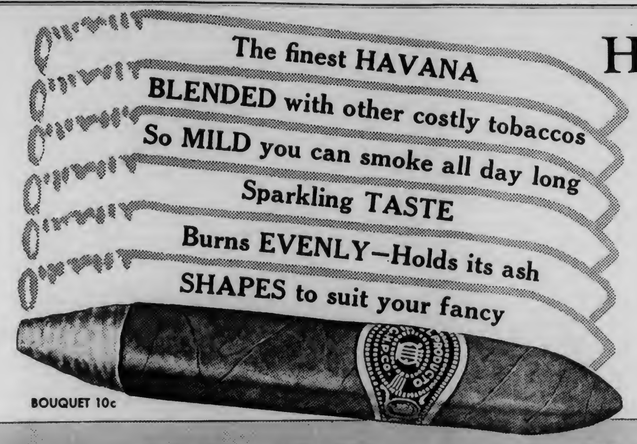
ANALYSIS OF MARCH STATISTICS

(*Continued From Page 8*)

1937, but went out in front of February, 1938, by over 5,000,000 pounds.

Class A cigars from the Philippine Islands registered an improvement of 3,300,000 over March, 1937, and a little more than 300,000 over February, 1938. Large cigars produced in Puerto Rico were a negligible figure, and the only tobacco product reported in six numerals were small cigarettes which gained 65,000 over March, 1937.

The comparative figures for the various classifications as well as the percentage of loss is as follows:



Here are the features that have made EL PRODUCTO America's leading high-grade cigar.

These are the features your best customers are looking for . . .

So display EL PRODUCTO prominently and build your business!

EL PRODUCTO
CIGARS
for real enjoyment

G. H. P. Cigar Co., Inc., Phila., Pa.

POPULAR LEADERS
By P. Lorillard Co.

2 for 5¢ Cigar

UP! UP! UP!

Go KING EDWARD Sales

NEW records follow new records as America's most popular cigar makes new friends everywhere. Sales for the first quarter of 1938 were 12.6% ahead of our previous high first-quarter record of 1937.

UP! UP! UP!
Go Distributors' Profits

Each forward stride by King Edward means greater profits for jobbers and dealers from this sure-fire popular seller. Keep King Edward on top of the counter and keep full stocks on hand.

JNO. H. SWISHER & SON, Inc.
Cigar Manufacturer JACKSONVILLE, FLORIDA

Tobacco Merchants' Association
Registration Bureau, 341 Madison Ave. NEW YORK CITY

Schedule of Rates for Trade-Mark Services
Effective April 1, 1916

Registration,	(see Note A),	$5.00
Search,	(see Note B),	1.00
Transfer,		2.00
Duplicate Certificate,		2.00

Note A—An allowance of $2 will be made to members of the Tobacco Merchants' Association on each registration.

Note B—If a report on a search of a title necessitates the reporting of more than ten (10) titles, but less than twenty-one (21), an additional charge of One Dollar ($1.00) will be made. If it necessitates the reporting of more than twenty (20) titles, but less than thirty-one (31), an additional charge of Two Dollars ($2.00) will be made and so an additional charge of One Dollar ($1.00) will be made for every ten (10) additional titles necessarily reported.

TRANSFERRED REGISTRATION

LA VARA:—24,902 (Tobacco World). For cigars, cigarettes, cheroots, stogies, chewing and smoking tobacco. Registered September 9, 1912, by Kaufman, Pasbach & Voice, New York, N. Y. Through mesne transfers acquired by Nic. Althaus Co., New York, N. Y., and re-transferred to Jose Lopez, New York, N. Y., April 14, 1938.

NINE MONTHS TOBACCO STATISTICS

(Continued from page 6)

with 4,101,725 in the comparative period of 1937, a recession of 235,581 or 5.74 per cent.

All classes of cigars manufactured in the United States during the first nine months of this fiscal year totalled 3,873,787,758 while 4,016,004,259 were made in the same period in 1937. This represents a decline of 142,216,501 cigars or a loss of 3.54 per cent.

Little cigars moved up with a production of 140,930,529 for the first nine months as against 136,172,636 in the same months of 1937. This represented an increase of 4,757,893 equal to a plus 3.49 per cent.

Withdrawals of cigars from the Philippine Islands amounted to 153,866,209 covering the time from July 1, 1937, to March 31, 1938. For the same months of 1937 these figures were 118,495,841. This marks a healthy improvement by 35,370,368 cigars or a plus 29.85 per cent. This gain is represented almost entirely by class A.

Cigars from Puerto Rico were almost entirely class A as well, 9,961,725 being made thus far in the 1938 fiscal year as compared with 36,869,875 made in the first nine months of 1937, a loss of 26,908,150.

TAMPA CIGAR MANUFACTURERS ELECT

At the annual meeting of the Cigar Manufacturers Association of Tampa for the election of officers for the ensuing year, which was held on April 11th, the following members of the industry were chosen:

Jose P. Perez, of Marcelino Perez & Company, president; Armando Rodriguez, of A. Santaella & Company, vice-president; John Levy, of Gradiaza, Annis & Company, treasurer; Francis M. Sack, Secretary. The following directors were also elected: Francisco Gonzalez, of Garcia & Vega; Manuel Garcia, Sr., of Perfecto Garcia & Bros.; A. L. Cuesta, Jr., of Cuesta, Rey & Company; W. T. Morgan, of the Morgan Cigar Company; Adrian Bustillo, of M. Bustillo & Company; W. P. Vance, of Lopez Alvarez & Company.

CIGAR BOXES

Tel. Algonquin 4-9532 Established 1879

NIC. ALTHAUS CO

CEDAR SAW CIGAR BOXES PLANING MILL

LABELS, RIBBONS, CIGAR MAKERS' SUPPLIES

637-641 EAST 17 ST. NEW YORK.

OUR HIGH-GRADE NON-EVAPORATING
CIGAR FLAVORS
Make tobacco mellow and smooth in character and impart a most palatable flavor
FLAVORS FOR SMOKING and CHEWING TOBACCO
Write for List of Flavors for Special Brands
BETUN, AROMATIZER, BOX FLAVORS, PASTE SWEETENERS
FRIES & BRO., 92 Reade Street, New York

TOBACCO TRADE ORGANIZATIONS

TOBACCO MERCHANTS ASSOCIATION OF UNITED STATES

JESSE A. BLOCH, Wheeling, W. Va. ..... President
WILLIAM BEST, New York, N. Y. ..... Chairman Executive Committee
MAJ. GEORGE W. HILL, New York, N. Y. ..... Vice-President
GEORGE H. HUMMELL, New York, N. Y. ..... Vice-President
S. CLAY WILLIAMS, Winston-Salem, N. C. ..... Vice-President
JULIUS LICHTENSTEIN, New York, N. Y. ..... Vice-President
ASA LEMLEIN, New York, N. Y. ..... Treasurer
CHARLES DUSHKIND, New York, N. Y. ..... Counsel and Managing Director
Headquarters, 341 Madison Ave., New York City

THE NATIONAL ASSOCIATION OF TOBACCO DISTRIBUTORS, INC.

ALAN C. DAVIS, Baltimore, Md. ..... President
EDMUND C. DEARSTYNE, Albany, N. Y. ..... Vice-President
JOSEPH KOLODNY, 200 Fifth Ave., New York, N. Y. ..... Secretary
J. RENZ EDWARDS, Kansas City, Kan. ..... Treasurer

NATIONAL BOARD OF TOBACCO SALESMEN'S ASSOCIATIONS

BEN L. LASCHOW, 862 East Fifteenth St., Brooklyn, N. Y. ..... President
R. L. McCORMICK, 52 Klein Ave., Trenton, N. J. ..... First Vice-President
J. J. OLLENDORFF, 780 West End Ave., New York, N. Y. ..... Executive Secretary
ALBERT FREEMAN, 25 West Broadway, New York, N. Y. ..... Treasurer

TOBACCO SALESMEN'S ASSOCIATION OF AMERICA, INC.

HARRY A. ABRAMS ..... President
LEO RIEDERS, 3800 Broadway, New York, N. Y. ..... Secretary
JACK EDELSTEIN ..... Treasurer

RETAIL TOBACCO DEALERS OF AMERICA, INC.

WILLIAM A. HOLLINGSWORTH, 233 Broadway, New York, N. Y. ..... President
LOUIS KLEIN ..... First Vice-President
ERIC CALAMIA ..... Secretary
ARTHUR S. MEYER ..... Treasurer

CIGAR MANUFACTURERS ASSOCIATION OF AMERICA, INC., 200 Fifth Ave., New York, N. Y.

ALVARO M. GARCIA ..... President
THOMAS C. BREEN ..... Treasurer
SAMUEL BLUMBERG ..... General Counsel
Executive Committee—Alvaro M. Garcia (Ex-officio), Thomas C. Breen, Harley W. Jefferson, D. Emil Klein, Walter E. Popper, Harry S. Rothschild, and Arthur A. Schwarz.

THE YORK COUNTY CIGAR MANUFACTURERS ASSOCIATION

BRUCE G. NEBINGER, Red Lion, Pa. ..... President
C. M. EHEHALT, Red Lion, Pa. ..... Secretary
A. S. ZIEGLER, Red Lion, Pa. ..... Treasurer

FRANK E. SKINNER DIES IN FLORIDA

Frank E. Skinner, employed by the American Tobacco Co., until a few years ago when he retired, died recently in his sleep in his home in Tarpon Springs, Fla.; at the age of fifty-one. After completing a college education he entered the employ of the American Tobacco Co., where he served in the New York office and several foreign countries. He is survived by his widow and one daughter.

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In This Issue

HOTEL PENNSYLVANIA IN NEW YORK IS HOST TO ANNUAL CONVENTION OF RETAIL TOBACCO DEALERS

COMPARED WITH APRIL 1937 CIGAR STATISTICS SHOW A DECREASE OF 15%

TEN MONTHS FIGURES REVEAL CIGAR PRODUCTION HAS DECLINED NEARLY 5%

KOLODNY AND E. REGENSBURG HEAD COMMITTEE FOR THE UNITED PALESTINE RELIEF

THE TALK OF THE TRADE

Copyright 1938, Liggett & Myers Tobacco Co.

Hobart B. Hankins—*Editor* *Associate Editor*—John Cleary

THE TOBACCO WORLD

Vol. 58 JUNE, 1938 No. 6

A MOTHER created 'Father's Day'!

"She is Mrs. John Bruce Dodd of Spokane, Washington, who twenty-eight years ago crystallized her own vision with the successful celebration of the first day-a-year set aside to honor 'father.'

"The realization of her dream in Spokane in 1910, culminated Mrs. Dodd's efforts for several years to enlist the interest of professional organizations and prominent individuals in the inauguration of a 'Father's Day.'

"In an early petition to the Spokane Ministers Alliance, Mrs. Dodd wrote: 'The beautiful custom of Mother's Day would call attention to . . . the father's place in the home, the training of children, the safeguarding of the marriage tie, the protection of womanhood and childhood.'

"First Spokane organization to give formal endorsement to the Father's Day idea was the Y. M. C. A. Then followed the approval of the Mayor of Spokane, and the Governor of Washington. In June of 1910 the Ministers Alliance accepted Mrs. Dodd's invitation to participate, and on the third Sunday of that month many of the city pulpits observed the day.

"In the two years following, young Mrs. Dodd the 'Mother of Father's Day'—was deluged with congratulations and inquiries. According to a press notice of the time, appreciation for Mrs. Dodd's achievement was widespread, coming 'from sources reaching far into the heights of literary, social, political and religious circles.'

"All over the country other cities followed Spokane's lead. Other countries followed suit, and soon the red rose of living tribute and the white rose of remembrance were being worn in respect for fathers in Germany, Sweden, Korea, Japan, Mexico, Hawaii, Canada and India."

THE Bureau of Internal Revenue always issues interesting monthly statistics about the tobacco industry and allied trades as regards their tax contributions. In this month of April 1938 the cigar business paid $938,274.52. Last year this department of the industry paid $1,111,105.15. Cigarettes on the other hand paid $37,581,657.93 while in April of 1937 $36,631,929.15 was collected. Smoking and chewing tobaccos paid less in the month; $4,821,000 was collected in 1937 but only about $4,223,000 was garnered this April. Cigarette papers and tubes paid revenue of $111,000, approximately, as compared with less than $96,000 in April of 1937.

(*Continued on Next Page*)

JOSEPH KOLODNY and Edward J. Regensburg accepted the co-chairmanship in the Tobacco and Allied Trades on behalf of the combined campaign of the American Jewish Joint Distribution Committee and the United Palestine Appeal at a meeting held at the Aldine Club on Tuesday, May 18th. And in accepting the chairmanship, Messrs. Kolodny and Regensburg announced that the Tobacco and Allied Trades Division had set itself a quota of $50,000 to be raised by June 4th.

"It is impossible for any of us possessed of human feeling and compassion to close our eyes to the tragic plight which has befallen millions of our people in Poland, Germany, Austria, Roumania, and other countries of Eastern and Central Europe. Immediate aid is imperative if the many thousands of men, women and children who are starving and homeless, deprived of every means of earning a livelihood, barred from schools and institutions, are to survive. It is our duty as Americans and Jews, members of a democracy where we enjoy the blessings of freedom and justice, to do everything within our power to alleviate the untold suffering of these innocent people.

"In giving our support to the Joint Distribution Committee, we are helping to bring relief to the impoverished, medical aid to the sick, education to the children, and vocational training to the adults who have been thrown out of their professions. Through the United Palestine Appeal, we promote the immigration to, and settlement in, Palestine of European Jews.

"We, in the tobacco trades have pledged ourselves to raise $50,000 as our share of the fund needed to effectively carry on the vital work of these two great agencies.

Serving on the Committee under Messrs. Regensburg and Kolodny are the following:

Cigarette Vending Machines: Robert Z. Greene, Rowe Mfg. Co., Inc.; Leaf Tobacco Dealers: Harry S. Rothschild, Bayuk Cigars, Inc.; Manufacturers: D. Emil Klein, D. Emil Klein, Inc.; Julius Klorfein, Garcia Grande Cigars, Inc.; Harry Catlin, Bayuk Cigars, Inc.; Arthur Schwarz, Max Schwarz, Inc.; Match Division: Leo Greenbaum, Lion Match Co.; Jesse M. Markel, Universal Match Corp.

Pipe Division: Robert L. Stern, L. & H. Stern, Inc.; Retailers: Bernard Horowitz, Associated Retailers, Inc.; D. A. Schulte, A. Schulte, Inc.; Samuel Katz, Triboro Association; Moe Weinstein, Silver Ring Stores, Inc.; Sales Group: S. Eli Levine, D. Emil Klein, Inc.; Lawrence W. Kinstler, E. Regensburg and Sons; William Baron, Flor de Cumbal Cigar Co.; Louis Schneider, Max Schwarz, Inc.; Jack Smith, Garcia Grande Cigars, Inc.; Tobacco Distributors: Alex Engel, M. Engel and Son; Edward Grauer, Metropolitan Tobacco Co.; Charles S. Greene, Charles S. Greene; Herman Oriel, A. Oriel; Moses Packer, Packer Bros.; Window Display Division: Jack Edelstein, Star Display Advertising Co., Inc.; Sidney G. Silberstein, National Window Trimming Co.

The TOBACCO WORLD (established 1881) is published by Tobacco World Corporation; Hobart B. Hankins, President and Treasurer; John Cleary, Secretary. Office, 236 Chestnut Street, Philadelphia, Pa. Issued monthly. Subscriptions, available only to those engaged in the tobacco industry or trade, $1.00 a year, 15 cents a copy; foreign, $1.75 a year. Entered as second-class mail matter, December 22, 1909, at the Post Office, Philadelphia, Pa., under the Act of March 3, 1879.

The playing card business seems to be doing well with pinochle and draw poker, bridge, etc. Internal revenue from this source moved up from $280,000 in April of 1937 to almost $347,000 in April of 1938. Taxes on firearms and revolvers, and various other necessities in this line of endeavor have dropped off. It is well to note however, that taxes on cameras and lenses have jumped up from $71,000 in April, 1937 to more than $125,000 in April 1938. Even the tax on chewing gum shows a comfortable increase.

But despite all of the taxes the total income for the month of April 1938 exceeded April 1937 by only slightly more than $2,000,000. This sum is made up of taxed products in the amount of more than $302,000,000, but there is every evidence that these high taxes are defeating their very purpose. Admission taxes amounted to more than $1,500,000 while club members paid almost $500,000 in taxes on their dues.

▲

THE decline of cigar withdrawals in the month of April as compared with those of a year ago amounts to more than 15 per cent. And yet some cigar manufacturers are continuing to make progress. They are putting their efforts behind their merchandise and as a result are keeping their brands at the head of the procession. Good merchandise, good merchandising and good advertising are the essentials.

While we have placed "good advertising" at the end of the above paragraph it is nevertheless the one important factor that encourages the purchaser to make personal investigation of the claims made for the product and thus leads to increased sales. You may make any reasonable statement about your product, but your sales growth will depend on whether or not your customers are satisfied that you have publicized fairly the merits of your goods.

"Word of mouth" advertising has always been good by way of encouraging sales. Yet it seems to us that the greater number of people are interested when the appeal is made through the printed word. The evidence of this belief may be seen in the nation's newspapers and magazines, and the results may be found in the quarterly or annual statements of the companies which follow this practice.

It is a matter of record that many businesses in a great number of industries are increasing their advertising expenditures at this time. And there is ample evidence to show that where there is good merchandise behind the advertising, these progressive manufacturers and corporations are maintaining satisfactory sales and earnings.

JACOB WERTHEIM ESTATE FILED

The accounting for the estate of Jacob Wertheim, cigar manufacturer, has recently been filed in the Surrogate's Court of New York City and reveals that it amounts to more than $9,000,000 and covers trust funds which he set up for his wife, children and relatives. Two sons, three daughters and six sisters will participate in the trusts which Mr. Wertheim established. Mr. Wertheim died on November 14, 1920.

PUERTO RICO BUYING MORE CIGARETTES FROM THE UNITED STATES; 18% GAIN

Sales of American cigarettes to Puerto Rico during the first quarter of the current year were 18 per cent. greater than in the same period a year ago, despite the recent 5-week shipping strike which completely paralyzed commerce with the Island. This is according to a statement by the Puerto Rican Trade Council.

"Shipments to the Island during the three months totalled 230,500,000 cigarettes," the report states. "Puerto Rico's purchases during the nine months ended March 31 totalled 562,000,000 cigarettes, and were 2 per cent. greater than in the same period of the preceding fiscal year. The value of the shipment, however, declined 7 per cent.

"Inasmuch as stocks of the leading brands were completely exhausted during the strike period, it is believed that inventories on the Island are relatively high at the present time, but stocks are in strictly fresh condition."

The Island's total purchases from the States during the nine months amounted to $63,800,000, a decrease of only 7 per cent. compared with the preceding year, the Council reports.

U. S. TOBACCO CO. DIVIDEND DECLARED

The United States Tobacco Co. has declared an initial quarterly dividend of 32 cents per share on the new common stock of the company. Before the four-for-one stock split which was approved on March 1, dividends of $1.25 quarterly were distributed to common stockholders. A quarterly dividend of 43¾ cents was voted on the preferred stock. The preferred was split four-for-one at the same time.

Both dividends are payable June 15 to stockholders of record June 3.

RECEIVER FOR BARBEE-HAYES CO.

Creditors of the Barbee-Hayes Co., Inc., of Greensboro, N. C., for which a receiver has been appointed, have filed a petition in the District Federal Court asking that the firm be adjudged bankrupt. Among those signing the petition were the Cortez Cigar Co., of Savannah, Ga., listing a claim of $3605.20; Meditation Cigar Co., of Red Lion, Pa., $751.64, and the Canada Dry Ginger Ale Company of New York City with a claim of approximately $2000.

$10,000,000 IN PREFERRED STOCK TO BE ISSUED BY PHILIP MORRIS & CO.

The Virginia Corporation Commission has authorized Philip Morris & Co. Ltd., Inc., to issue $10,000,000 in preferred stock. Approval of the issue was given by a majority vote of the stockholders at their recent meeting in Richmond, Va. A minority of the stockholders endeavored to prevent the authorization of the proposed issue.

AMERICAN SUMATRA TOBACCO CO. DECLARES EXTRA DIVIDEND

American Sumatra Tobacco Corporation ordered an extra of 90 cents in addition to the regular quarterly dividend of 25 cents. The company paid an extra of $1.25 together with the regular payment on June 15, last year.

Chairman Louis Klein of Cleveland Pleads For Closer Cooperation

Declares That Harmony and Unity of Thought Among Retail Tobacconists Will Help Solve Business Problems

THIS is the sixth annual Convention of the Retail Tobacco Dealers of America and for the sixth time it becomes my very pleasant task to welcome each and every one of you and to express the earnest hope that our getting together and deliberating here will accomplish big things of real and lasting benefit to every person engaged in the retail tobacco business. I can only add that the honor of welcoming you is equal to the pleasure.

We met first in June of 1933, shortly after the bank holiday. We then laid the foundations of our organization and set to work on the N. R. A. Code. In 1934 we saw our Code perfected and we got the President's order setting the cigarette price. The following year in Boston we set up our permanent organization. In 1936 we took our first faltering steps in the direction of Fair Trade Practice acts, which for the most part we saw nullified by legislation declared to be unconstitutional. Last year in this very assembly hall I had the pleasure to announce the forty-second state had enacted its Fair Trade Law modelled on the original, which was originally proposed by us and after being declared unconstitutional was reinstated on the statute books as one of the most far reaching and constructive pieces of legislation ever enacted for business. These Fair Trade Acts became a Bill of Rights and a Charter of Business protecting the retail and wholesale channels of all trades from the vicious competition of predatory cut-raters.

This year in 1938 the keynote is Consolidation and Co-operation. By Consolidation I mean consolidation of our gains. We have been through a great deal together since our first convention. It would be a fruitless waste of time to go all through that except to point out the obvious advantages of a strong organization and the equally obvious advantages that come from capitalizing on one's sacrifices. These points will doubtless be stressed by other speakers and to them I leave the task and I leave the topic with this thought: "That people who profit by their own mistakes just naturally profit doubly by the mistakes of others!"

Co-operation is one of those words which never needs to be defined: a word that is never misunderstood. Co-operation means just that: namely and to wit: Co-operation. No discourse by me could make my meaning clearer, but perhaps a few samples might add emphasis.

My first sample is from my own beloved Cleveland where for three successive years at Christmas time more than 3000 dealers and all the street cars throughout the city carried the message of "Cigars for him—the gift he'd choose for himself!" These campaigns initiated and promoted by Cleveland dealers were very successful. I want to urge upon all you men the advisability of locally and enthusiastically with your fellows at home to embark upon similar campaigns.

The appeal is seasonable at Christmas but quite appropriate and even more pointed for Father's Day. Then the week-ends of Decoration Day—this very week-end, by the way—July Fourth and Labor Day offer equally good opportunities for spreading the gospel.

The first sample is an accomplished fact. My second will be a suggestion.

Let us take 4,000,000,000 cigars as the average production annually in these United States. If the cigar manufacturers would give only ten cents per thousand of cigars produced, a fund of $400,000 would be available by them for advertising their wares and our businesses. Combining their full page advertising in the leading newspapers of the country with our intensive and local programs we would have co-operation, Ne Plus Ultra. In a single year the country could be made cigar conscious. Ten cents per thousand cigars is a trifling amount, but in some cases it would amount to a very sizable sum to certain manufacturers but the mechanics of the plan could be worked out so equitably that we would all benefit and one would be penalized.

First I suggest co-operation by and between the retailers as an element of the business. Next I suggest co-operation by and between manufacturers as an element and last and most important I suggest co-operation by and between the two elements. Nothing could be more effective, for co-operative effort in advertising would unfailingly bring effective effort in merchandising, and then most of the disabilities under which Fair Trade Acts now suffer would be automatically removed. "The mouse with only one hole is quickly caught!" We retailers have but one hole and that hole, unfortunately is not labelled "Profits." It is labelled "Sales." The other elements must provide the "profits" hole, and they must do this, not as an act of charity, but as a matter of self-preservation, for they need our "sales" hole just as badly as we need their "profits" hole.

I quite appreciate that my co-operation picture is an alluring one but I am also mindful of the very stubborn fact that wishful thinking does not supply the answer, and that pretty words sound all right but have no value whatever without strong, vigorous and effective actions to back them up.

We must set our own house in order before we dare make suggestions to another to clean up his back yard, however dirty and ill-kept his back yard may be from our windows. I now therefore make my appeal to each and every man here present to consider that the entire success of this convention rests with him and with him alone; and this is very true because if any man here fails to avail himself of the benefits which this convention can and will provide for him then this convention certainly is not a complete success as far as he is concerned. It may be for others but not for him.

(*Continued on Page 14*)

In Addressing R. T. D. A. President Hollingsworth Mentions Taxes

Fair Trade, Tax Problem, and Labor Laws Feature His Comments on Current Industry Conditions.

Address of President William A. Hollingsworth, to Retail Tobacco Dealers of America, Inc., at their Convention in New York City.

Wm. A. Hollingsworth, President of Retail Tobacco Dealers of America, Inc., since its formation in June 1933, entered the retail tobacco trade in 1910. Was Chairman of the National Code Authority for the Retail Tobacco Trade, and during the past year was appointed a member of the Executive Committee of the American Fair Trade League. This League has for its purpose the united front of all distributive groups interested in the Fair Trade Movement.

I AM deeply grateful for the opportunity to extend the hand of welcome to all of you, members of Retail Tobacco Dealers of America, Inc., in convention assembled for the Sixth Annual Meeting. We, and by that I mean the Convention Committee, officers and directors, have devoted ourselves, unstintingly, to produce a program that not only reflects the breadth of our many undertakings but points the way to the future betterment of the retail tobacconists of the country. The realization that another year of a difficult period in our national economic life has passed without having stripped us of our courage and determination is in itself something to behold. You can rightfully be proud that the mission of your Association remains undaunted; that it has weathered the storms of the day; that it stands ready and able, backed by experience and accomplishment, to render a service of truly national scope for the retail tobacco industry.

Briefly, to recount our early activities—With the enactment of the National Industrial Recovery Act and the establishment of the National Retail Tobacco Code Authority, there was an immediate need for a national retail tobacco group to promulgate fair trade practice rules for the industry and to assist in their enforcement. The compliments visited upon the retail tobacco trade for the workmanlike manner in administering the N. I. R. A. were, in no small measure, due to the co-operation of our Association. For a period of two years our businesses enjoyed almost complete freedom from unscrupulous trade practices. A visitation short-lived, however, for in May 1935, the National Industrial Recovery Act was declared unconstitutional and the machinery supporting it disintegrated. It goes without saying that the retail tobacco industry suffered a severe blow. The gains we struggled for evaporated over night. At that time all that could be salvaged was the prestige of our organization in having done a real job and the bonds of friendship established with the many component parts of retail distribution. The respect for our national association was the reason for the co-operation of the grocery, drug and department store groups with the retail tobacconists in restoring, by voluntary agreement, some degree of protection from predatory trade tactics.

Voluntary agreement for the elimination of unfair trade practices is indeed a commendable project but by no means an effective substitute for the arm of the law. Without the proper fair trade laws, the unethical merchant who knows nothing about the rules of fair play and equal opportunity can upset the most carefully planned fair trade crusade. As time went on it was the more obvious to all of us that our objectives would be realized only after the enactment of uniform resale price maintenance laws throughout the country. To that end the National Association has directed its sustained and uninterrupted efforts during the past three years.

In keeping with your mandate at the last convention to seek a means of curbing travelers from importing more than fifty cigars duty-free and co-operating with the Cigar Manufacturers Association, we vigorously supported the efforts of Congressman J. Hardin Peterson to enact the appropriate amendment to paragraph 1798 of the Tariff Act of 1930 so as to correct this unjust burden on the tobacco retailers. In this respect, we are much nearer the goal than we were last year and if there isn't a last minute avalanche of important legislation as there was before Congress last adjourned, I look for the passage of Congressman Peterson's proposal.

A matter of grave concern to all retail tobacconists was the insertion in the House of Representatives, some months ago, of a paragraph in the proposed federal tax bill to increase the excise tax on paper book matches from one half cent a thousand to two cents a thousand. Such a tax raise would have resulted in the increase in cost to retailers of approximately one dollar per carton to two thousand five hundred books. It is a well known fact that the retail tobacconists are the only paying consumers of paper book matches and have had to charge this expense to their overhead. Because of the highly competitive conditions prevailing in the trade and the fact that the public has been schooled to certain scales of prices for tobacco products, any increase in the cost of paper book matches could not be passed on to the consumer. Thus, the passage of such a provision would have seriously affected us.

Your Association by direct communication with the members of the House of Representatives and the immediate follow-up of letters and telegrams from all over the country, under the direction of our local affiliates succeeded in convincing the Subcommittee on Internal Revenue Taxation of the House Ways and Means Committee to delete the excise tax on paper book matches entirely. However, the Senate Finance Committee in considering the tax bill put the tax right

(*Continued on Page 7*)

back in and we were confronted with a tough assignment. The tax bill as reported out of the Senate included the increased tax provision. The bill was then sent to a conference committee composed of members of the House and Senate. We exercised the full power of persuasive argument and had every reason to be pleased to see that the Federal Tax Bill of 1938 as finally passed by Congress and approved by the President had completely and entirely eliminated excise taxes on paper book matches.

The problem of tobacco taxes has been a constant worry to us. Already overburdened by taxation we have reason to fear any increased taxation of tobacco products for the consequent serious impairment to the industry. We have devoted ourselves assiduously during the past year in resisting the efforts of legislators who consider the tobacco industry a convenient source of revenue.

In one instance and a very important one, however, our most determined and conscientious efforts were fraught with disappointment and grave consequences. Early in April of this year the Mayor of the City of New York proposed a one cent tax on the sale of each package of cigarettes to raise additional funds for relief purposes. Certainly, nobody objects to the desirability and necessity of aiding those who are distressed, but the Mayor of New York City was ill-advised, to say the least, in selecting cigarettes as the source of additional revenue.

Your president directed the bitterly fought battle to defeat this proposed tax. In the short time of a few days the forces of the entire retail tobacco trade in New York City were marshalled behind our march on City Hall. Despite the submission of briefs and forceful oral presentations before the members of the New York City Council, setting forth uncontrovertible facts urging defeat of the measure, it was finally enacted by the narrowest of margins effective from May 1st to June 30th, 1938. Caught in the mesh of a political cross fire, the like of which New York City hadn't seen in many a year, our fate was sealed. Permit me to quote just a few of the arguments advanced by me demanding defeat of the New York City one cent cigarette tax.

"Such taxes fail because they are almost impossible of enforcement and because they are keenly resented by the public, particularly the poorer people who have to count pennies and upon whom most of the burden is placed because they consume the great bulk of cigarettes. The Federal Government collects cigarette taxes at the rate of six cents per package. The poor man who buys a package a day pays a tax of $21.90 a year to Washington even though he is unemployed and perhaps on the relief roll. That the tax really falls upon the poorer people is evident when you consider that in the City of New York with a population of over seven millions of people, only 560,000 pay income taxes."

Your Association has been ever ready to assist its members in the solution of labor problems. A notable contribution in this connection was the appearance of your president before the Pennsylvania Industrial Labor Board in Harrisburg on November 15, 1937, to petition for an exemption for the retail tobacco trade from the 44-Hour Pennsylvania Labor Law. In substance, we requested that the retail tobacco clerks be permitted to work fiftyfour (54) hours a week in six (6) consecutive full days. We set forth many of the reasons peculiar to our trade alone that warranted such exemption. We were successful in securing an exemption for retail tobacconists who employ three or less persons. The exemption permits a 54-hour, 6-day week. The enforcement of the 44-Hour Pennsylvania Labor Law is at present at a standstill due to the fact that the law was declared unconstitutional in the lower courts and is awaiting final decision of the Supreme Court of Pennsylvania.

As a result of the prominence of our organization in the distributive trade association field, I was called upon many times during the year to travel far and wide to address groups in allied industries who are similarly interested in the progress and development of the fair trade movement. Furthermore, I had occasion to debate the subject of Fair Trade Laws with its leading opponents.

Your Association played a very potent part in influencing the many state legislatures to enact resale price maintenance laws, and was among the major groups that finally brought about the passage of the Tydings-Miller Bill. This law exempts from possible violation of the Federal Anti-Trust Laws any persons engaged in interstate commerce who avail themselves of the protection of the state fair trade laws.

It is clear to you all that the state fair trade laws are permissive in character. They empower the owners or producers of trade-marked articles, which are in open and fair competition with commodities of the same general class produced by others, to enter into contracts with retailers and distributors stipulating the minimum resale prices of their products. Furthermore, the laws prohibit persons not parties to the fair trade contracts from wilfully and knowingly violating them. True, here we have the solution to the price-cutting evil, but one which is dependent for its effectiveness upon elements outside of the law.

The question uppermost in the minds of all of us is simply this, does the experience of the past year signalize that manufacturer assistance is and will not be forthcoming and that the only road ahead is the sponsorship of legislation which directly and unconditionally prohibits "loss-leader" selling? Naturally, this question is answered with reference to the tobacco industry, and I feel equipped to speak with some authority for I have been in the thick of it, as it were. On the surface there appears a pessimistic side, but embedded deep in the structure of our industry is the faith that the tobacco manufacturers are sympathetic to our needs and are desirous to promote our welfare. Again I caution you to realize that we embarked in a field of activity that was untried, untested; that progress, of necessity, had to be slow. As passionately as we feel the righteousness of our cause, can we condemn others for hesitating and taking time to study the developments of the fair trade laws before adopting serious changes in business policies?

It is lack of foresight of the other man's problems that too often spells defeat of worthy objectives. We have not been guilty of hasty consideration. We appreciate that the manufacturer's problem is equally as important as ours; that an important change in the method of merchandising is bound to evoke differences of opinion. But it appears that fundamentally we are all in agreement as to the value of the fair trade laws and that it but remains for the manufacturers and

(*Continued on Page 10*)

Class B Ahead First Ten Months

Cigars From Philippine Islands Make Gain in Class A; Cigarettes Continue to Make Progress; Up More Than 3%

THE report of cigar withdrawals in the United States for the first ten months of the fiscal year indicates that only Class B gained—nearly two million or 4.44 per cent. The total decline for all classes was 4.71 per cent., ranging as high as 8 per cent. in Class E. Class C dropped almost 6½ per cent. and Class D more than 7.35 per cent.

Cigars from the Philippines for the ten-months period gained more than 25 per cent. in Class A while all other divisions failed to increase. Cigars in Porto Rico were produced in the amount of about 10,000,000 as compared with more than 40,000,000 in April of 1937. Little cigars from Porto Rico dropped from 1,540,000 in April of 1937 to 797,000 in April of 1938.

Twenty years ago—in April of 1918—Porto Rico manufactured more than 22,000,000 cigars in that one month while the Philippine Islands turned out almost 24,000,000 cigars in April of 1918.

Twenty years ago, in April slightly less than four billion cigarettes were manufactured and in this April of 1938 more than twelve and one-half billions were tax-paid for consumption.

In the ten-month period 148,121,662 little cigars were made—a decrease of almost eight million, a little more than 5 per cent. Less than 80,000,000 small cigars were made in April 1918.

In the first ten months of the fiscal year all types of chewing and smoking tobacco have declined—to the extent of more than 8,000,000 pounds, the April 1938 production being slightly more than 247,000,000 pounds.

Class A cigars made in the United States for the first ten months amounted to 3,733,800,000 but this figure is less by 180,000,000 than in the comparative period of 1937. This leaves less than one-quarter of 1 per cent. to be accounted for by all other classes so far as the total loss in cigar production is concerned.

As has been noted before, Class B is going ahead. It is worthwhile observing how this classification continues to do a little better than hold its own, which is more than can be said for the other divisions when the "long haul" is considered in the light of time.

In considering the Class C, D and E divisions, there is much to be said for them. They represent cigars made of tobaccos which are more expensive, and find many of their purchases in hotels and clubs. It must be a recognized fact by now, however, that the hotels and clubs are not doing the business that they did. The restaurant, bar or cigar stand is not so well patronized as formerly. And these are important places for the sale of higher priced cigars. They suffer thereby and so does the manufacturer, and his distributors and jobbers.

In ten months Class C has lost more than 30,000,000 cigars and from the standpoint of revenue and employment it is far from a favorable sign when it may be remembered that in years gone by this division was an outstanding one in withdrawals.

Class D with its production of less than 33,000,000 has dropped more than 2,500,000—more than 7 per cent.

(Continued on Page 14)

	1st 10 Mos. Fiscal Yr. 1938		Increase or Decrease Quantity	Per Cent.
Cigars:				
Class A—				
United States	3,733,800,730	—	179,087,725	4.58
Philippine Islands	167,286,565	+	33,995,565	25.50
Puerto Rico	9,141,325	—	29,909,625	....
Total	3,910,228,620	—	175,001,785	4.28
Class B—				
United States	46,012,579	+	1,957,748	4.44
Philippine Islands	298,770	+	1,711	....
Puerto Rico	307,100	—	765,750	....
Total	46,618,449	+	1,193,709	2.63
Class C—				
United States	442,124,524	—	30,223,670	6.40
Philippine Islands	253,281	+	38,481	....
Puerto Rico	640,200	+	113,650	....
Total	443,018,005	—	30,071,539	6.36
Class D—				
United States	32,705,242	—	2,597,632	7.36
Philippine Islands	352,552	+	148,001	....
Puerto Rico	.....	—	600	....
Total	33,057,794	—	2,450,231	6.90
Class E—				
United States	4,062,944	—	354,891	8.03
Philippine Islands	6,466	+	1,251	....
Puerto Rico	.....		.....	....
Total	4,069,410	—	353,640	8.00
Total All Classes:				
United States	4,258,706,019	—	210,306,170	4.71
Philippine Islands	168,197,634	+	34,185,009	25.51
Puerto Rico	10,088,625	—	30,562,325	....
Grand Total	4,436,992,278	—	206,683,486	4.45
Little Cigars:				
United States	148,121,662	—	7,918,481	5.07
Philippine Islands	.....		.....	....
Puerto Rico	796,680	—	743,320	....
Total	148,918,342	—	8,661,801	5.50
Cigarettes:				
United States	135,336,024,075	+	3,990,425,125	3.04
Philippine Islands	464,903	—	439,487	....
Puerto Rico	4,150,200	+	39,860	....
Total	135,340,639,178	+	3,990,025,498	3.04
Large Cigarettes:				
United States	2,508,168	+	273,235	12.23
Philippine Islands	1,021	—	1,951	....
Puerto Rico	223,100	—	116,900	34.38
Total	2,732,289	+	154,384	5.99
Snuff (lbs.):				
All United States	30,865,408	—	252,745	0.81
Tobacco (Chewing and Smoking) lbs.:				
United States	247,024,296	—	8,309,594	3.25
Philippine Islands	54	+	54	....
Total	247,024,350	—	8,309,540	3.25

April Cigar Production Off 15%

Cigarettes Continue to Gain But Cigars in All Classifications as Well as Tobacco Products Are Off.

WHILE cigars dropped off in March—those produced in the United States—to the extent of more than 35,000,000, the decline for large cigars in April exceeded more than 68,000,000 which was charged to Class A to the extent of more than 60,000,000. Class C showed a loss of almost 7,000,000, which practically covered the month's recession.

In March of 1938 more than 389,000,000 Class A cigars were withdrawn; in April 342,000,000. This represents a falling off in these two months alone for this classification, of more than 80,000,000 cigars. Class C fell behind more than 12,000,000 in March and shows a loss of almost 7,000,000 in April. This class has dropped back almost 20,000,000 in the two months referred to.

Cigarettes remained in the plus column in both March and April. The March increase was greater than 900,000,000—amounting to more than 7 per cent.—while the April figures are up more than 300,000,000, making a total of more than a billion gain in these two months.

Little cigars declined almost 64 per cent. in April as compared with a loss of less than 7 per cent. in March. More than 15,000,000 were made in March but only slightly more than 7,000,000 in April. Smoking and chewing tobacco was off only slightly more than 2 per cent. in March but was backward in April in excess of 9 per cent.

The snuff division is down more than 300,000 pounds or an equivalent of 9.4 per cent. in April. The

(Continued on page 12)

	April, 1938		Increase or Decrease Quantity	Per Cent.
Cigars:				
Class A—				
United States	342,934,000	—	60,513,080	15.00
Philippine Islands	14,313,270	—	1,176,745	7.60
Puerto Rico	60,700	—	3,467,375	....
Total	357,307,970	—	65,157,200	15.42
Class B—				
United States	4,442,567	—	213,323	4.58
Philippine Islands	2,353	—	4,380	....
Puerto Rico	8,000	—	200,550	....
Total	4,452,920	—	418,253	8.59
Class C—				
United States	34,683,500	—	6,897,146	16.59
Philippine Islands	13,926	—	5,600	....
Puerto Rico	58,200	+	13,750	....
Total	34,755,626	—	6,888,996	16.54
Class D—				
United States	2,661,394	—	346,810	11.53
Philippine Islands	1,110	+	610	....
Puerto Rico	.....		.....	....
Total	2,662,504	—	346,200	11.51
Class E—				
United States	196,800	—	119,310	37.74
Philippine Islands	766	+	756	....
Puerto Rico	.....		.....	....
Total	197,566	—	118,554	37.50
Total All Classes:				
United States	384,918,261	—	68,089,669	15.03
Philippine Islands	14,331,425	—	1,185,359	7.64
Puerto Rico	126,900	—	3,654,175	....
Grand Total	399,376,586	—	72,929,203	15.44
Little Cigars:				
United States	7,191,133	—	12,676,374	63.80
Philippine Islands	.....		.....	....
Puerto Rico	.....	—	60,000	....
Total	7,191,133	—	12,736,374	63.91
Cigarettes:				
United States	12,526,722,723	+	316,900,113	2.60
Philippine Islands	21,400	—	175,100	....
Puerto Rico	510,400	+	510,260	....
Total	12,527,254,523	+	317,235,273	2.60
Large Cigarettes:				
United States	191,850	—	63,750	24.94
Philippine Islands	.....		.....	....
Puerto Rico	20,000	—	20,000	50.00
Total	211,850	—	83,750	28.33
Snuff (lbs.):				
All United States	2,937,411	—	304,668	9.40
Tobacco (Chewing and Smoking) lbs.:				
United States	24,571,202	—	2,214,484	8.27
Philippine Islands	.....		.....	....
Total	24,571,202	—	2,214,484	8.27

Manufactured Tobacco Produced by Classes in Pounds (As reported by the Bureau of Internal Revenue, based on manufacturers' returns of production) Month of February

Product	1938		Increase or Decrease Quantity	Per Cent.
Plug	4,587,323	—	321,651	6.55
Twist	450,620	—	43,687	8.84
Fine-cut chewing	335,200	—	36,801	9.89
Scrap chewing	3,104,550	—	705,122	18.51
Smoking	14,261,942	—	65,663	0.46
Total (lbs.)	22,739,635	—	1,172,924	4.91

Two Months Ending February 28

Product	1938		Increase or Decrease Quantity	Per Cent.
Plug	8,313,943	—	1,218,917	12.79
Twist	888,045	—	109,604	10.99
Fine-cut chewing	686,262	—	68,191	9.04
Scrap chewing	6,257,682	—	699,061	10.05
Smoking	28,988,005	+	1,224,647	4.41
Total (lbs.)	45,133,937	—	871,126	1.89

Internal Revenue Collections for April as Relates to the Tobacco Trade

Source of Revenue	1938	1937
Cigars	$ 938,274.52	$ 1,111,105.15
Cigarettes	37,581,657.93	36,631,929.15
Snuff	528,734.00	583,574.26
Tobacco, chewing and smoking	4,422,948.37	4,821,514.22
Leaf dealer penalties	54.99	181.56
Cigarette papers and tubes	110,933.76	95,572.30
Playing cards	346,810.83	279,909.20
Matches	177,152.67	814,017.67
Chewing gum	82,316.25	68,975.46

Ten-Pack Season

Make Extra Profits with

KING EDWARD Ten-pack

HERE'S the ideal item for the cigar smoker who ventures outdoors for fishing, camping, hiking, picnicking or any other purpose. Ten fat, mellow, cellophane-wrapped King Edwards in a handy ten-pack.

King Edward Ten-Pack is convenient to handle across the counter ..and it steps up the unit of sale to a quarter. Stock up with King Edward Ten-Pack for the summer season. Make bigger profits from America's most popular cigar.

JNO. H. SWISHER & SON, Inc.
Cigar Manufacturers JACKSONVILLE, FLORIDA

HOLLINGSWORTH SPEECH

(*Continued from Page 7*)

retailers to conciliate their differences. I for one, propose that this association through its officers, directors and members undertake an educational program that will produce among the tobacco retailers of the nation a true appreciation of the problems inherent in the making and enforcement of fair trade contracts. To the tobacco manufacturers who have enrolled under the fair trade banner I extend our gratitude which already has been expressed in more ways than one. To the tobacco manufacturers who have yet to determine their course, I urge that in the same spirit of co-operation you pledge yourselves to fathom the difficulties that heretofore prevented your utilizing the fair trade laws.

Approximately, fifty of the leading tobacco manufacturers consummated fair trade contracts throughout the country during the past year. Though many more must come into the fold before the retail tobacco trade receives the desired relief, a relatively good beginning has been made and we anticipate a steady increase of tobacco fair trade contracts.

The real crucial problem is to assure the absolute enforcement of fair trade contracts and it is in that direction that our activity must be concentrated. During the past year, we laid the groundwork for proper enforcement practices and it is our duty to continue their advancement. We hope that out of this convention will come many constructive suggestions for future guidance.

We undertook during the past year to create fair trade committees which would assume the enforcement duties for given areas. The best example of the effectiveness and productive results of such groups is the fair trade committee of the New York Retail Tobacco Council, Inc., which as you know, is comprised of the representatives of the New York City local tobacco trade associations. Your president, as a special member, played an important part in the formation and growth of this Council.

The fair trade compliance committee of the New York Retail Tobacco Council has functioned, for the past eight months, in the New York metropolitan area with remarkable success. Violations of tobacco fair trade contracts were speedily and systematically checked. Evidence against violators was secured with precision and was airtight against any possible defense. The result was that recalcitrant and law-breaking merchants were called to ask and enjoined by the process of the courts of New York State. The Council was responsible for obtaining the first fair trade tobacco injunctions in New York State and has co-operated with your national association in carrying out the uniform procedure adopted by us.

As indicated to you before, the problems of fair trade enforcement are largely dependent upon judicial interpretation of the Fair Trade Laws. The past year has witnessed a formidable array of court victories for the fair trade movement. Notable among these was a decision which sanctions the right of competing retailers, as well as the manufacturers of the fair trade products, to sue to enjoin the violation of fair trade contracts. We shall continue to act as the clearing house for fair trade problems in the tobacco industry and will closely watch all fair trade developments for the guidance of the industry.

SWORN RECORDS show that among *independent* tobacco experts, Lucky Strike has *twice* as many exclusive smokers as have all other cigarettes put together. These men are auctioneers, buyers and warehousemen. They *know* tobacco and they smoke Luckies . . . 2 to 1!

Remember, too, the throat protection of the exclusive process, "It's Toasted," which removes certain harsh irritants present in all tobacco, and makes Luckies easy on your throat.

Have You Heard the Chant of the Tobacco Auctioneer

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SPRUCE LUMBER

for CIGAR BOXES

It's Brighter - for the Eye
It's Lighter - for Shipping
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Cigar Box Lumber for 65 years

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AUTOKRAFT

CIGAR BOXES

Boite Nature Novelty
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Are Outstanding In
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Chicago, Ill.
Detroit, Mich.
Hellam, Pa.
Hanover, Pa.
Philadelphia, Pa.
Wheeling, W. Va.

APRIL CIGAR PRODUCTION DECLINES

(*Continued From Page 8*)

March withdrawals were off 250,000 pounds, a loss in that month of nearly 8 per cent.

Cigars from the Philippine Islands dropped back in April as compared with April of 1937, to the extent of more than 7½ per cent. More than 14,000,000 cigars were manufactured in April as compared with 16,000,000 in March. March indicated a gain over the previous March of nearly 25½ per cent.

According to the records 126,000 cigars were made in Porto Rico in April of this year while in April of 1937 there was manufactured 3,781,000. In March Porto Rico made only 130,000 cigars as compared with 4,500,000 in March of 1937. No little cigars were reported made in Porto Rico in March of 1938, and only 230,000 in March of 1937. In April of this year there is no record of any little cigar production on the island although 60,000 were made in April of 1937.

In the matter of cigarettes made in Porto Rico this year the April figures amount to 510,000 and in March 565,000 were made. In March of 1937 about 500,000 were produced but less than 200 were recorded for April of 1937.

In the United States less than 4,500,000 Class B cigars were withdrawn for consumption in April; a loss of nearly 5 per cent. over April of 1937. Class D cigars in April of this year amounted to 2,661,394, a decline of nearly 350,000 compared with April of 1937.

In the current April less than 200,000 Class E cigars were made, a decrease of nearly 120,000 or nearly 38 per cent. 252,000 Class E cigars were withdrawn in March of this year which was a decline of more than 18 per cent. compared with March of 1937.

Cigar withdrawals in April, covering all classifications made in the United States, were off more than 15 per cent. compared with April a year ago. Compared with March of this year, production in April was off more than 76,000,000 cigars.

HOTEL LINCOLN SOLD BY U. C. W. S. CO.

The Hotel Lincoln, located at Eighth Avenue and Forty-fourth Street, in New York City, owned by the United Cigar Whelan Stores Company, has recently been sold by the corporation for a cash consideration said to be $360,000. This is subject, however, to a mortgage of more than $4,000,000, as well as such adjustments as may be necessary to take care of current assets and liabilities.

WHAT DOES JUNE 19 MEAN TO THE CIGAR INDUSTRY?

Every year—for years—merchants of the United States have made millions of dollars in additional sales through the promotion of Mother's Day.

Each year—for the past 10 years—Bayuk Cigars Inc. has spent thousands of dollars—and sold millions of additional cigars—through its promotion of FATHER'S DAY.

June 19 is Father's Day this year. Bayuk urges the cigar industry—manufacturers, distributors, salesmen and dealers—to join us in taking full advantage of Father's Day. All can play a part by furnishing—as we do—and making proper use of—window posters, counter cards, lapel buttons and special Father's Day wrappers.

Bayuk *knows* that Father's Day promotion will *sell* cigars. The experiences of thousands of dealers, who have featured cigars as gifts on Father's Day, prove it.

June 19 does mean much to the cigar industry. It means millions of extra dollars in the cash registers of dealers. It means a great increase in the sale and consumption of cigars. It means advancement for the whole cigar industry.

BAYUK CIGARS INC.

Jos. Neuman

President

Tobacco Merchants' Association Registration Bureau, 341 Madison Ave. NEW YORK CITY

Schedule of Rates for Trade-Mark Services
Effective April 1, 1916

Registration,	(see Note A),	$5.00
Search,	(see Note B),	1.00
Transfer,		2.00
Duplicate Certificate,		2.00

Note A—An allowance of $2 will be made to members of the Tobacco Merchants' Association on each registration.

Note B—If a report on a search of a title necessitates the reporting of more than ten (10) titles, but less than twenty-one (21), an additional charge of One Dollar ($1.00) will be made. If it necessitates the reporting of more than twenty (20) titles, but less than thirty-one (31), an additional charge of Two Dollars ($2.00) will be made and so an additional charge of One Dollar ($1.00) will be made for every ten (10) additional titles necessarily reported.

NEW REGISTRATION

INTERSTEEL:—46,674. For smoking pipes, cigarette holders and smokers' articles only. House of Comoy, Inc., New York, N. Y., May 20, 1938.

LEDROSS DEHYDRATED:—46,666. For pipes and cigar and cigarette holders. Lederer-Ross Co., New York, N. Y., May 5, 1938.

TRACTOR GIRL:—46,671. For chewing and smoking tobacco. Portage Wholesale Co., Portage, Wis., March 28, 1938.

TRACTOR BOY:—46,672. For chewing and smoking tobacco. Portage Wholesale Co., Portage, Wis., March 28, 1938.

TRANSFERRED REGISTRATION

MOROCCO:—2,900 (Trade-Mark Record). For cigars. Registered February 14, 1887, by Lichtenstein Bros. & Co., New York, N. Y. Transferred by General Cigar Co., Inc., New York, N. Y., successors to the original registrants, to Consolidated Litho. Corp., Brooklyn, N. Y., May 11, 1938.

CHIEF CREO:—14,376 (Tobacco World). For cigars. Registered March 7, 1904, by H. J. Wolf & Co., Terre Hill, Pa. Transferred to Schwartz Bros. Cigar Co., Ephrata, Pa., March 16, 1938.

FLOR DE CREO:—17,272 (Tobacco World). For cigars. Registered February 19, 1909, by H. J. Wolf, Terre Hill, Pa. Transferred to Schwartz Bros. Cigar Co., Ephrata, Pa., March 16, 1938.

SANTA FUMAR:—35,856 (United Registration Bureau). For cigars, cigarettes, cheroots and tobacco. Registered June 22, 1910, by American Litho. Co., New York, N. Y. Through mesne transfers acquired by Rodriguez-Sanchez y Cia, Ybor City, Fla., and re-transferred to Esperdy & Co., Tampa, Fla., May 9, 1938.

MAIN STREET:—42,148 (Tobacco Merchants' Association). For all tobacco products. Registered April 5, 1921, by American Litho. Co., New York, N. Y. Transferred by Consolidated Litho. Corp., Brooklyn, N. Y., successors to the registrant, to A. Berkowitz, New York, N. Y., for **smoking tobacco only,** on May 11, 1938, the Consolidated Litho. Corp., retaining the trade-mark for tobacco products other than smoking tobacco.

LA FLOR DE SANCHEZ Y HERMANOS:—30,323 (Trade-Mark Record). For cigars, cigarettes and tobacco; and **46,859** (U. S. Patent Office). For cigars and cheroots. Registered September 8, 1904, and October 10, 1905, respectively, by Sanchez y Hermanos, New York, N. Y. Through mesne transfers acquired by Ralph Cohalla, Tampa, Fla., and re-transferred to Cohalla y Cia, Tampa, Fla., May 28, 1938.

MAGNO:—11,517 (Tobacco Record). For cigars. Registered March 5, 1892, by M. J. Sanchez, New York, N. Y. Through mesne transfers acquired by Ralph Cohalla, Tampa, Fla., and re-transferred to Cohalla y Cia, Tampa, Fla., May 28, 1938.

MR. LOUIS KLEIN'S OPENING ADDRESS.

(Continued from Page 5)

Thus in a very real sense the complete success of this convention is a very personal, particular and private affair for every man here present. That will be consolidating our gains; that will be co-operation. I plead for harmony of thought and for unity of effort.

My concluding thought is an old saying to the effect "God gives every bird its food but He doesn't throw it into the bird's nest!"

And now, friends, I give you without further ado —for no words of mine can add to his proven abilities, —our worthy president, Bill Hollingsworth.

CIGAR BOXES

Tel. Algonquin 4-9532 Established 1873

NIC. ALTHAUS CO

CIGAR BOXES

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OUR HIGH-GRADE NON-EVAPORATING
CIGAR FLAVORS
Make tobacco mellow and smooth in character and impart a most palatable flavor
FLAVORS FOR SMOKING and CHEWING TOBACCO
Write for List of Flavors for Special Brands
BETUN, AROMATIZER, BOX FLAVORS, PASTE SWEETENERS
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TEN MONTHS' STATISTICS

(Continued From Page 10)

compared with the same period in the fiscal year of 1937.

In this same time Class E slipped from 4,400,000 to 4,000,000. Unless you manufacture and sell cigars in this bracket a loss of 400,000 cigars may not sound like very many, and yet if you went out to buy 400,000 Class E cigars you might be surprised at what the investment would cost you. On the other hand if you could sell that many Class E cigars you would probably be very much pleased with the results.

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JULY 1938

TOBACCO WORLD

ESTABLISHED 1881

In This Issue

CIGAR DECLINE IN MAY SLIGHTLY MORE THAN 3 PER CENT. WHILE CIGARETTES GAIN A MILLION

FOR FIRST ELEVEN MONTHS THE PHILIPPINE CIGAR PRODUCTION GAINED THIRTY-FIVE MILLION

FAIR TRADE COMMITTEE PLANS MOVEMENT ON NATION-WIDE SCALE TO SERVE ALL THE INDUSTRIES CONCERNED

ANIMATED CARTOON SIGN FOR OLD GOLD CIGARETTES ABOUT TO START IN TIMES SQUARE

THE TALK OF THE TRADE

Copyright 1938, Liggett & Myers Tobacco Co.

Hobart B. Hankins—*Editor* *Associate Editor*—John Cleary

THE TOBACCO WORLD

Vol. 58 JULY, 1938 No. 7

WE remarked in our June issue that high taxes defeat the purpose for which they are intended—adequate income, and the recent report of the Internal Revenue Bureau shows that collections from all sources in May of 1938 amounted to $277,764,976.08 as compared with $281,057,599.93 in May of 1937. A decrease of a mere $3,300,000 which in view of the financial "state of the nation" is worth thinking about. In April of this year the Bureau of Internal Revenue collected more than $302,000,000.

It would therefore appear that items subject to tax have failed to maintan the April level by more than $24,000,000. We assume from this that either the purchasing power of the people has declined very materially or that they refuse to purchase taxed articles except those that they feel they absolutely need. And we realize that in speaking of the decline in tax income that it is a compartively small sum compared to what business has lost in the sales of merchandise.

In the luxury class the total receipts for all liquor taxes dropped more than $3,000,000. Along the same line club dues fell off $46,000. Admission taxes declined $143,000. Automobiles and motorcycles paid $9,800,000 in May of 1937 in taxes; in May of 1938 they paid $1,396,000, a falling off of more than $8,000,000. And there are many other equally interesting examples. The tax on playing cards for the month is down $37,000.

With the exception of cigars the collection of revenue from all other branches of the tobacco industry is greater than in May of 1937. The tax on matches declined by $600,000 and the chewing gum tax is down almost $10,000.

There is something wrong with this picture and it looks as if, when the director of the present scene walks out at the expiration of his contract, that his successor will be let in for a "wonderful time," but he won't be writing home about it.

The folks at home had better start in writing about it now although it seems to be too late to do much about it except to elect members to Congress who have enough backbone to stand up and fight the wild extravagance that now exists in Washington, and which is setting a similar example for every state, county and municipality in the country.

It has already gone too far as the continued staggering expenditures in Washington headquarters should indicate to every sane thinking person. And we don't mean Washington's headquarters at Valley Forge either.

AN ITEM recently announced the election of officers of the New Jersey Tobacconists Association. This also included a plan to elect five members as the Board of Governors by submitting to the Trade a list of ten names and requesting that they select five for the Board. This closed ballot idea met with favor for the response thereto was very gratifying, according to the reports from the office of the Association. The five men elected on the Board of Governors are:

Nathan Carris, Schwarz & Son, Newark, N. J.;

Andrew Jacoby, House of Jacoby, Atlantic City, N. J.;

S. Bloomenstein, S. Bloomenstein, Inc., Vineland, N. J.;

B. Eisler, B. Eisler Tob. Co., Bayonne, N. J.;

D. Leonard, James J. Fay Co., Camden, N. J.

The new Board, together with the Officers, Irven Moss, President; Adolph A. Bergen, Vice-President; Frank Rossi, Secretary; Bernard Kirsch, Treasurer, and Milton J. Benjamin, Executive Secretary, at a meeting held last Thursday, at the Stacy-Trent Hotel, Trenton, drew up final arrangements for policies on the enforcement of the Fair Sales Act. Included in these arrangements was a plan to set up an administration body with provisions for the employment of a crew of investigators or policing and other matters to insure adequate enforcement.

It was also announced that rulings in the form of a catechism were sent to the entire Trade. These rulings cleared up a number of puzzling angles and it was pointed out that the catechism would serve as a guide to those anxious to comply with the act and that further it would act as a constant warning to those harboring tendencies to violate the law.

Indications point to the fulfillment of a promise by the Association to give every support to the Trade. It was further stated that every wholesaler will be held accountable and that a strict compliance with the law would be expected. Funds to finance the law enforcement body are being collected through assessments from wholesalers who have pledged to pay an agreed amount on the basis of their volume of business. This arrangement was one of the many, unanimously adopted at the last general meeting.

Temporary offices will be established in Newark and Trenton with headquarters in Newark.

▲

THE report of the Internal Revenue Bureau for May indicates that domestic cigar production increased more than 32,225,000 over the month of April despite the fact that all classes fell below the figures for May, 1937. The loss for May of 1938 as compared with May, 1937, was about 13,500,000. Cigars made in Puerto Rico amounted to only 232,000 as compared with 3,000,000 in May of 1937.

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The cigarette business marched steadily on and in May of this year gained 1,250,000,000 over May of 1937. The total cigarette production in May amounted to more than 14,000,000,000. This is no doubt due in a large part to the heavy advertising expenditures of the present and the cumulative effect of that done in the past.

It seems strange that the cigar industry doesn't take a page from the book of the cigarette manufacturers. The records show that the decline in cigar production in the past eleven months has reached a total of nearly 224,000,000 while in the same period cigarette sales have increased 5,244,000,000. If advertising will do such amazing things for the cigarette business it ought to do proportionately well at least for cigar brands.

▲

HERE is a book, "The Tobacco Kingdom," which will be interesting to all persons engaged in the tobacco industry—whether cultivation, marketing, or manufacture; to historians interested in the effect of an important industry upon antebellum society; to economists concerned with trade relations and business comections between the tobacco district and the North.

The study, concentrated on a distinct economic region in a well-defined era, thus gains in coherence and in detail. An introductory discussion on the colonial background precedes Part I, "Raising the Crop", which includes an analysis of the tobacco plantation and a survey of methods of culture. Part II, "Marketing the Leaf", traces development of trade routes, changes in modes of transportation, mechanism of the inspection system, evolution of sale methods, nature of the leaf export trade, and the movement of prices and production.

Part III, "Manufacturing," deals with the growth of plug and twist manufacturing and outlines methods of manufacture evolving from the simple to the complex. Factory buildings and equipment are sketched. Fully documented, the narrative is based principally on contemporary manuscripts, pamphlets, newspapers, and periodicals. Tables, graphs, maps, and ten illustrations add to the interest and usefulness of the volume. The end papers are attractive reproductions of the Mayo Tobacco Calendar showing the month by month tasks involved in tobacco culture.

Altogether the book is a full, accurate, and complete account of the tobacco kingdom during the first six decades of the last century. Price, $3.00.

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A VIVID word-picture of the Southern tobacco auctions appears in the new novel titled "Destiny is a Woman," which has just been published by Egmont Press, New York, and written by a former newspaper reporter, Lee Brown. From it, readers will doubtless increase their understanding of this phase of Southern life.

"If they'd only let him go South for them—" muses one of the characters in the story—"South again—through the factories and storage warehouses, to the amazingly colorful old tobacco auctions once again! He could almost smell, again, the familiar pungent fragrance of thousands of baskets of freshly-cured leaf, hear again the curious melody of the auctioneer, the muted music of hundreds of low Southern voices trailing in the background behind the professional buyers and the clerks.

"Most of the actual photos he'd never been able to use—quaint old characters who were always to be found, at this season of the year, where their nostrils could revel in the smell of the auctions, singing darkies and sturdy young farm boys unloading truckloads of the redolent crop their folks had raised, women in bobbing sunbonnets, laying the banded leaves on wide, flat baskets, as tenderly as though they were gossamer—vulnerable model T Fords looking curiously ready for the stratosphere, with their vast, ballooning bundles of dried tobacco roped to bumpers, fenders, runing boards, covering puffing radiators, packed so solidly inside that only a contortionist's seat remained for the driver."

▲

CHARLES F. ALTHAUS, SR., PASSES.

Charles F. Althaus, Sr., who succeeded his father, Nic Althaus, founder of the business of the Nic Althaus Co., manufacturers of cigar boxes, and other wood product specialties, passed away on Monday evening, June 27th, after a three weeks' illness. Services were held at his home, 1350 Franklin Street, Bronx, N. Y. on Wednesday evening, June 29th. Interment was on June 30th. Mr. Althaus was born on March 3, 1868.

In addition to his widow he is survived by children and grandchildren.

The business will be continued by his sons and his brother-in-law, John Schott.

Mr. Althaus was a leader in the development of a New York cigar box manufacturers association, and later played a prominent part in the formation of the National Cigar Box Manufacturers Association which is now out of existence for some years. This organization was formed in Pittsburgh in about 1919.

Mr. Althaus was one of the few surviving cigar box manufacturers in New York City, and was widely known for his fine cedar boxes as well as his boite nature work. He conducted a cedar mill in the factory on E. Seventeenth Street, and was a large user of imported cedar logs.

His company has a reputation of being one of the finest in the country, from a standpoint not only of material, but workmanship as well.

KAY KYSER TO CONTINUE FOR AMERICAN TOBACCO CO. ON 82 NBC STATIONS.

"Kay Kyser's Musical Klass & Dance" has been renewed by the American Tobacco Company over a coast-to-coast NBC-Red Network of 82 stations, effective July 6th. The program, on which members of the studio audience answer questions about popular music and musicians, is broadcast Wednesdays from 10:00 to 11:00 P. M., E. D. S. T.

"Old Gold" Has One of World's Largest Signs on Broadway

Otto Soglow Designs Animated Movie Which Will Run for Five Minutes in Times Square

ONE of the brightest events in the history of Broadway's electrical displays has taken place when two huge new spectaculars were turned on simultaneously over the Great White Way.

It was the first time in Times Square's history that two spectaculars have opened the same evening, and both of these signs will rank with the world's foremost. One will be the world's largest and most expensive animated cartoon sign—and the other will carry the biggest electric letters to be found in New York, or any place in the country. Both signs were conceived and designed by Douglas Leigh, the Sign King of Broadway, who now has more spectaculars on Broadway, (nine out of fourteen) than all the other electrical sign concerns combined. (A spectacular, in the trade language, is a sign with a pictorial effect which has upward of 300 feet of neon tubing, or the equivalent radiation in electrical bulbs.)

The animated cartoon spectacular advertises Old Gold cigarettes and is erected on the east side of Times Square, between Forty-third and Forty-fourth Streets. It is a half block long and two-and-a-half stories high, and its 4104 lights (representing 103,100 watts) and two-fifths of a mile of neon tubing will consume the same amount of electricity as that used by a town of 10,000 people.

The feature part of the Old Gold sign is the 30 by 24-foot screen of 4104 closely set 25-watt lights which carry out the effects of a new animated cartoon invention. This invention, named Epok, was brought from Europe about two years ago, and Douglas Leigh, Inc., obtained the exclusive American rights, to run for seventeen years.

The Epok idea has not yet developed in Europe, but Mr. Leigh—after sixteen months of experimenting and ironing out of mechanical difficulties—turned on his first Leigh-Epok sign on Times Square last year.

It was only a trial showing, but was an immediate success. ". . . the best comedy routines on Broadway," wrote John Chapman in the *Daily News*. It plays to the "largest standee audience on Broadway," stated Walter Winchell. Sophisticated Times Square crowds stopped in their tracks to gape at the antics of the characters and animals that walked, jumped and played across the lighted screen.

Twenty-five national advertisers sought out Mr. Leigh to find out about renting the now spectacular idea, and Leigh realized he had something that was likely to revolutionize the entire outdoor advertising field.

A Leigh-Epok animated is a sort of half movie, half television mechanism. Films are first recorded from drawings of the figures or words to be shown on the sign. The film is then projected, in the control room behind the sign, onto a bank of photo-electric cells. There are 1,026 of these photo-electric cells, and each controls a unit of four lights on the outside screen.

The complicated machinery necessary for this operation includes seventy miles of wiring, and 17,112 soldered joints. The bank of 1,026 photo-electric cells represents the largest single use of photo-electric cells in the world—many more than the number needed in a television sending set. So delicately fused is the sign's mechanism that each light can be flashed on and off thirty times a second—which means that the 4104 outside lights can be changed 101,808,000 times an hour! The lights are not ordinary electric bulbs, but are miniature traffic lights of intense radiation.

The original drawings and story for the Old Gold animated were done by Otto Soglow, the artist, who is well-known for his "Little King" series and numerous other cartoons.

Mr. Soglow created another of his typical characters (whom he says he'll have to call Goldie) to take the leading part in the sign's continuity. The 4104 lights show this character walking into a tobacco shop, where he buys a package of cigarettes. He then strides along smoking and makes his way to his sweetheart's house.

While he stands in front of the door blowing smoke rings his girl comes to the balcony window. There she catches whiffs of smoke, is delighted by it, and steps out onto one of the smoke clouds to ride gently to the ground. She takes the cigarette from Goldie and draws a few puffs on it herself, and then the two go off together to find a minister and be married.

In addition to these comedy antics the animated screen performs rare geometrics that blend and change into varied and beautiful shapes. The continuity will last for five minutes, which is ten times longer than any of the old style Broadway spectaculars run without repeating themselves. Six times a year the entire animation will be changed, with a new story, new characters, and new geometrics for the Times Square crowds.

The Broadway Association has approved these new spectaculars, for the signs will greatly aid the present campaign to "Whiten up, brighten up, Broadway for the World's Fair."

▲

THE story of Douglas Leigh is a rare one for these times—a Horatio Alger boy of the depresion. He came up from the South eight years ago, with no job and $9 in his pockets. Today, at twenty-eight, he heads his own firm (Douglas Leigh, Inc.), employs some seventy-five people, and is known as the Sign King of Broadway. Leigh

(*Continued on page 11*)

NATIONAL FAIR TRADE COMMITTEE LAYS PLANS FOR INDUSTRY-WIDE ORGANIZATION.

PLANS for organizing the Fair Trade movement on a nation-wide scale that will serve to the best advantage all the industries concerned have now been prepared by the committee appointed for that purpose at the New York meeting of April 4th. Before making a public report, however, the committee, according to Chairman William H. Ingersoll, needs further time to consult the varying interests. "The failure of a complete understanding of function and the absence of an agreed upon singleness of purpose," says Mr. Ingersoll, "would result in so much waste effort due to indecision and argument that the ultimate success of the project might be jeopardized."

The organizers have held three meetings and agreed upon two steps designed to produce a concrete definition of purpose and adequate financial support. The first step proposed is the creation of a Preliminary Plans Committee. The second is the creation of a Finance and Membership Committee which would carry these preliminary plans to the point where an adequate organization can carry out a complete program supported by an annual income.

Present plans contemplate a final organization to be controlled by membership groups and individual members to which will be allotted voting powers to be determined by the numerical and industrial importance of each group. Seven such groups have been suggested, representing respectively, manufacturers, wholesalers, retailers, Fair Trade secretaries, legal counsel, trade associations and consumer organizations.

The committee has in view general membership classifications based upon group divisions with budget quotas assigned to each division and individual dues to be worked out by duly authorized representatives of each group.

The activities to be undertaken by the organization, Mr. Ingersoll believes, present no perplexities at this stage as compared with the more immediate problem of setting up an organization that will fairly and adequately represent all the interests involved and bring about the most effective cooperation. The committee agrees in general terms with the objectives stated at the New York meeting last April, in accordance with which the association finally established will devote itself to the promotion and defense of Fair Trade statutes and facilitate the understanding and operation of these laws, the fundamental purpose being to encourage the wider use of permissive vertical contracts defining the relation between manufacturers and subsequent handlers of trade-marked products. The organizers are united in recognizing the prime importance of education reaching not only industry itself but the consumers of the country upon whom the prosperity of industry depends.

The organization committee consists of twenty members. Among those of the tobacco trade on it are Albert H. Gregg, president, American Cigarette and Cigar Co., and William A. Hollingsworth, president of the Retail Tobacco Dealers of America, Inc.

NATD WOMEN'S CLUB WANTS VOICE IN CHOOSING 1939 CONVENTION CITY

THAT women are active in the tobacco industry is nothing new, but women, taking a spirited part in an NATD Convention, is ultra modern even for this streamline era.

The NATD Club for Women, an offshoot from the last NATD Convention, wants a voice in determining the site for the 1939 Convention. This fact was revealed by Mrs. Gladys Newman, President, in a letter to Joseph Kolodny, Executive Secretary of the NATD.

Commenting on this new angle, Mr. Kolodny had this to say, "I am happy to see the NATD Club for Women demonstrating their interest with so much enthusiasm. While we cannot be governed by their wishes entirely, we are anxious to cooperate with them.

"Not so very long ago, attendances at Conventions—any industry convention—were sharply curtailed due, perhaps, to objections voiced by the ladies. The cooperation of the NATD Club for Women, therefore, should add materially to attendance records. They are to be commended for their attitude and for their willingness to cooperate."

The NATD Club for Women, it was learned, has been engaged in a membership drive. In this activity, they have also included a ballot which lists New York City and Chicago as logical Convention cities and they have been requested to make their selection. The returns so far, are equally divided between both cities. The ladies, we feel sure, will gracefully adopt the selection of the NATD and that the NATD appreciates their cooperation goes without saying.

CIGARETTE PRICES CUT IN DENVER

Price-cutting on cigarettes is rife again in Denver, Colorado, 15-cent brands have dropped to 13 cents a pack or 2 for 25 cents and proportionately with other brands at various prices. When Colorado's fair trade act became effective prices were raised and they held firm for six months. Then a large drug chain which operates a number of stores in Denver, ran advertising in the newspapers announcing lower prices on the leading cigarette brands. This stampeded the local retail trade into meeting the chain's reduction and as a result cigarettes prices are again in a chaotic condition.

G. J. KUHN, WHOLESALE TOBACCONIST, DIES

George J. Kuhn, 48, wholesale tobacconist, died Wednesday at his home 6410 North Eighth Street, Philadelphia, Pa., after a long illness.

He was a member of the tobacco firm of F. Kuhn & Brothers, 437 West Girard Avenue, which was founded by his father. The business will be carried on by a brother and a son.

Funeral arrangements await information from Rev. Fr. Andrew B. Kuhn, a brother, now doing missionary work in South America.

SCHULTE RETAIL STORES SHOW LOSS

Schulte Retail Stores Corp., and Subsidiaries, report for five months to May 31, loss after administration expenses and special charges, $131,119, compared with loss of $84,953 for corresponding period last year. During May the corporation had a loss of $17,163 on the same basis and one of $24,066 in May, 1937.

May Cigar Production Declines

Cigars From Philippines Show Increase But All Classes of Cigars Made in the United States Total More Than 3% Loss

THE Tobacco Barometer just issued by the Tobacco Merchants Association showing the production of various tobacco products for the month of May shows a recession in the cigar division as compared with May of 1937 of a little more than three per cent., while cigarettes this past May increased more than nine and one-half per cent. as against May a year ago. Both tobacco (chewing and smoking) and snuff also recorded gains. The decline in little cigars was more than twenty-three per cent. Cigars from Puerto Rico amounted to only a little more than two hundred and thirty thousand but cigars from the Philippine Island were up nearly seven and one-half per cent.

All classes of cigars fell behind the May 1937 figures, with Class A losing nearly eleven million with a production in this May of almost 367,000,000. In the months of March, April and May of this year the total decline in this class amounts to more than 90,000,000 compared with the same three months of 1937.

The loss in Class B in May was comparatively small, about 77,000 as compared with the April decline of more than 200,000, and the March drop of about 200,000 also. Class C was off in May 2,362,000 as compared with a loss in April of nearly 7,000,000. Class C production in May, however, was about 8,000,000 more than in April. May Class D output was behind May of 1937 by slightly more than 100,000 but gained more than 440,000 over April of the current year. Class E is nearly 30 per cent. behind May, 1937, but about 50,000 cigars ahead of April of the present year.

Product	May, 1938		Increase or Decrease Quantity	Per Cent.
Cigars:				
Class A—				
United States	366,804,650	—	10,833,645	2.87
Philippine Islands	14,329,165	+	956,610	7.15
Puerto Rico	189,800	—	2,950,000	....
Total	381,323,615	—	12,827,035	3.25
Class B—				
United States	4,494,697	—	77,180	1.69
Philippine Islands	6,900	+	4,950	....
Puerto Rico	6,000	—	103,500	....
Total	4,507,597	—	175,730	3.75
Class C—				
United States	42,489,214	—	2,362,638	5.27
Philippine Islands	55,146	+	31,610	....
Puerto Rico	36,650	+	5,600	....
Total	42,581,010	—	2,325,428	5.18
Class D—				
United States	3,102,423	—	112,511	3.50
Philippine Islands	6,000	+	2,899	....
Puerto Rico	300	+	300	....
Total	3,108,723	—	109,312	3.40
Class E—				
United States	252,522	—	98,669	28.10
Philippine Islands	36	—	324	....
Puerto Rico	.....		.....	....
Total	252,558	—	98,993	28.16

Cigarettes gained 1,250,000,000 over last May and increased their output almost 1,800,000,000 over this April. The gain in March of this year was more than 900,000,000.

Almost twice as many little cigars were made in May as in April, but the production this May is behind May, 1937, by more than 4,000,000.

Smoking and chewing tobacco increased more than 1,000,000 pounds in May which is equal to nearly 4¾ per cent.

Snuff, after a decline of more than 300,000 pounds in April, gained more than 200,000 pounds in May. This was an increase for May or nearly 7 per cent.

Cigars were made in Puerto Rico in May in the amount of 232,000. In May of 1937 the island produced more than 3,000,000. In April of this year only 127,000 were produced.

Cigars from the Philippine Islands gained almost 7½ per cent. or nearly 1,000,000 in May. They recorded a gain of more than 1,000,000 in April also.

Leaf tobacco exports from the Philippines failed, however, to show the improvement of its cigar industry, and its shipments were considerably below the same period in 1937. Japan and Korea absorbed only about one-half of the amount of tobacco that they purchased in 1937. Spain and Italy also used less than one-half the amount which they bought in 1937 in the same period.

Cigar exports to countries other than the United States also were below normal for the first five months.

Product	May, 1938		Increase or Decrease Quantity	Per Cent.
Total All Classes:				
United States	417,143,506	—	13,484,643	3.13
Philippine Islands	14,397,247	+	995,745	7.43
Puerto Rico	232,750	—	3,047,600	....
Grand Total	431,773,503	—	15,536,498	3.47
Little Cigars:				
United States	13,691,720	—	4,206,587	23.50
Philippine Islands	.....		.....	....
Puerto Rico	.....	—	100,000	....
Total	13,691,720	—	4,306,587	23.93
Cigarettes:				
United States	14,323,650,620	+	1,253,714,217	9.59
Philippine Islands	103,260	+	82,503	....
Puerto Rico	367,800	+	67,400	....
Total	14,324,121,680	+	1,253,864,120	9.59
Large Cigarettes:				
United States	233,322	—	18,278	7.26
Philippine Islands	.....		.....	....
Puerto Rico	30,450	+	10,450	....
Total	263,772	—	7,828	2.88
Snuff (lbs.):				
All United States	3,120,500	+	202,809	6.95
Tobacco (Chewing and Smoking) lbs.:				
United States	25,800,026	+	1,160,947	4.71
Philippine Islands	4	+	4	....
Total	25,800,030	+	1,160,951	4.71

IN 1937, RALEIGH CIGARETTES WON A GREATER PERCENTAGE OF NEW SMOKERS THAN ANY OTHER POPULAR-PRICED BRAND

That's *past* history. Now watch Raleighs *this* year! Smokers *want* a distinctive-tasting cigarette, selling at popular prices, with plain or cork tips. And they like the premiums they can get by saving the coupon on every pack. Feature Raleighs in your store. Watch how fast they make money for you!

Four *extra* coupons in every carton of Raleighs, plain ends. Two extra coupons in each carton of cork-tip Raleighs.

TUNE IN... *Tommy Dorsey and his famous swing orchestra. Every Wednesday evening, NBC coast-to-coast Red Network.*

Brown & Williamson products bring you the biggest profit in all lines and prices. KOOL is the largest-selling 15¢ mentholated cigarette. Raleighs now sell at popular prices. Viceroys are 15¢ and have a new, improved filter tip. Wings are a high-quality 10¢ cigarette. Avalons are a superior blend for "a few cents less." Sir Walter Raleigh Smoking Tobacco is 15¢ and famous for its mildness. Target is a grand blended cigarette tobacco for 5¢ and 10¢. Big Ben is a crimp-cut burley smoking tobacco. Bugler is a blended cigarette tobacco for 5¢ and 10¢. And Golden Grain and Old North State are bags of roll-your-own tobacco in 5¢ and 10¢ sizes.

Class B Gains in Eleven Months

Cigarettes Show Increase of More Than Five Billion But Cigars Decline More Than 4½ Per Cent. in Same Period

FOR the first eleven months of the fiscal year cigars from the Philippine Islands have gained in every class, the total increase amounting to more than 35,000,000. This compared with the first eleven months of the previous fiscal year is a percentage increase of almost 24 per cent. From A to E inclusive sales have moved upward, Class A of course leading. Gains in other classes were very small but nevertheless show an improvement over the same period in the previous fiscal year.

In the United States only Class B stands in the plus column with an increase of nearly 2,000,000 or 3.87 per cent. The decline for all classes averaged 4.57 per cent. In Class A alone the decrease amounted to approximately 190,000,000 for the eleven months period; Class C was off more than 32,500,000 and Class D 2,700,000.

Puerto Rico produced only slightly more than 10,000,000 cigars in the eleven months' period as compared with nearly 44,000,000 in the previous fiscal year.

Little cigars dropped off nearly 7 per cent. but snuff almost held its own, the production for the period being behind the comparative figures of the previous year only 15 one hundredths of one per cent.

Smoking and chewing tobaccos declined more than 7,000,000 pounds, a loss of about 2½ per cent. The total poundage for the first eleven months of this year was 272,824,000 pounds.

In the cigarette division output has reached 149,659,674,695 with still a month to go. The increase for the eleven months period is 5,244,139,342. Incidentally Puerto Rico made more than 4,518,000 in the same period while the Philippines produced only 568,000. The cigarette sales seem to be the only ones that are definitely going forward each month and each year, but then it may be observed that the cigarette manufacturers are the only ones in the tobacco industry who have never been afraid to spend money to increase their business. Practically every large cigarette concern in the country has been doing continuous and large advertising over many years while in the cigar field only a comparatively few out of thousands have had the courage to go before the trade and the public with continuous advertising on their products. The phenomenal growth of the cigarette business should serve as encouragement to manufacturers of all tobacco products to go and do likewise. It is one thing to stock up a jobber and retailer with merchandise but it requires something more than that to get the consumer to go to his retailer and ask for your brand.

Product	1st 11 Months Fiscal Yr. 1938		Increase or Decrease Quantity	Per Cent.
Cigars:				
Class A—				
United States	4,100,605,380	—	189,921,370	4.43
Philippine Islands	181,615,730	+	34,952,175	23.83
Puerto Rico	9,331,125	—	32,859,625	....
Total	4,291,552,235	—	187,828,820	4.19
Class B—				
United States	50,507,276	+	1,880,568	3.87
Philippine Islands	305,670	+	6,661	....
Puerto Rico	313,100	—	869,250	....
Total	51,126,046	+	1,017,979	2.03
Class C—				
United States	484,613,738	—	32,586,308	6.30
Philippine Islands	308,427	+	70,091	....
Puerto Rico	676,850	+	119,250	....
Total	485,599,015	—	32,396,967	6.25
Class D—				
United States	35,807,665	—	2,710,143	7.04
Philippine Islands	358,552	+	150,900	....
Puerto Rico	300	—	300	....
Total	36,166,517	—	2,559,543	6.61
Class E—				
United States	4,315,466	—	453,560	9.51
Philippine Islands	6,502	+	927	....
Puerto Rico	.....		.....	....
Total	4,321,968	—	452,633	9.48
Total All Classes:				
United States	4,675,849,525	—	223,790,813	4.57
Philippine Islands	182,594,881	+	35,180,754	23.87
Puerto Rico	10,321,375	—	33,609,925	....
Grand Total	4,868,765,781	—	222,219,984	4.36

Product	1st 11 Months Fiscal Yr. 1938		Increase or Decrease Quantity	Per Cent.
Little Cigars:				
United States	161,813,382	—	12,125,068	6.97
Philippine Islands	.....		.....	....
Puerto Rico	796,680	—	843,320	....
Total	162,610,062	—	12,968,388	7.39
Cigarettes:				
United States	149,659,674,695	+	5,244,139,342	3.63
Philippine Islands	568,163	—	356,984	....
Puerto Rico	4,518,000	+	107,260	....
Total	149,664,760,858	+	5,243,889,618	3.63
Large Cigarettes:				
United States	2,741,490	+	254,957	10.25
Philippine Islands	1,021	—	1,951	....
Puerto Rico	253,550	—	106,450	29.57
Total	2,996,061	+	146,556	5.14
Snuff (lbs.):				
All United States	33,985,908	—	49,936	0.15
Tobacco (Chewing and Smoking) lbs.:				
United States	272,824,322	—	7,148,647	2.55
Philippine Islands	58	+	58	....
Total	272,824,380	—	7,148,589	2.55

Internal Revenue Collections for May as Relates to the Tobacco Trade

Source of Revenue	1938	1937
Cigars	$ 1,035,450.66	$ 1,073,318.59
Cigarettes	43,273,124.62	39,211,938.89
Snuff	561,690.00	525,184.48
Tobacco, chewing and smoking	4,644,374.12	4,435,410.18
Cigarette papers and tubes	117,300.64	93,854.25
Leaf dealer penalties	1,057.08	451.34
Playing cards	203,049.70	240,023.40
Matches	153,275.75	753,228.69
Chewing gum	66,511.57	75,225.66

OLD GOLD ON BROADWAY

(*Continued from Page 5*)

deserves the title, for he has more spectaculars on Broadway than all the other sign concerns combined. He has erected a million dollars' worth of Broadway spectaculars in five years, and is still expanding. His latest coup was sewing up the exclusive American rights to the animated cartoon invention, which came from Europe under the name of Epok; many advertising experts prophesy this invention will revolutionize the entire outdoor advertising field.

Leigh's first job in New York was with one of the big outdoor advertising concerns. He was one of their ranking salesmen, but it was during the depression and the company was cutting expenses. Leigh's salary was reduced five times, until it was down to $30 a week. When another cut was announced he decided he'd had enough, and quit. He planned to start his own advertising company on Inauguration Day, 1933; but he was confined with the mumps the day before and had to hold up the new venture for three weeks.

He started Douglas Leigh, Inc., with nothing but a camera to make shots of possible sign locations, a rubber stamp for his letterheads, and the remains of $150 capital he got by selling his old Ford. Friends and former business acquaintances told Leigh he was crazy, that he would be considered a pirate by the organized industry, but he determinedly went ahead. He walked up and down Broadway, took shots of sign locations, drew up ideas for advertisers, and would then negotiate for business, all on credit. He made his first big deal when he sold a sign for the St. Moritz Hotel, and got a due bill, which gave him a home for six months. Since then everything has been on the upswing, and Leigh no longer has to accept due bills for his signs.

While Leigh deals mainly in spectaculars, his reputation in the electric sign field has come not from the size of his signs so much as it has from the novel and effective ideas he has created for his clients. The most popular signs erected on Broadway during the past several years—the cigarette ad with the penguin that winked 3000 times an hour, the huge coffee pot that actually steamed, the beer sign with the clown pitching three quoits onto a peg, and the new animated cartoon signs—have all been Douglas Leigh creations.

Douglas Leigh was born in Anniston, Ala., just twenty-eight years ago. He entered high school at Greenville, S. C., and he was immediately made the advertising manager of the school paper, *The Nautilus*. When he went to the University of Florida he bought the entire advertising space in the year book for $2000 (on credit, of course), and then went out and sold the same space for $7000—a neat profit of $5000. When family friends back home asked if he was working his way through college, Leigh would reply, "Why, no, I'm making money just like you; I'm in business."

One good story of Leigh is told by Sam Byrd, who was in Leigh's class at Florida and who later became the well-known actor who played "Dude" Lester in "Tobacco Road." Byrd and Leigh were in their last year and were discussing the possible careers they might follow when they got out of college. The Broadway-ambitions Byrd turned to Leigh and said, rather, flippantly, "Son, some day you'll see my name in lights over a Broadway show." To which the young advertising promoter replied, with equal flippancy, "Yes, and I'll put 'em there." The "Believe It or Not" aspect of the story was carried out season before last when Byrd opened in "White Man." In the Broadway sign advertising the show, the name "Sam Byrd" stood out in huge electric lights, while beneath this appeared a neat white on black sign proclaiming that Douglas Leigh, Inc., had erected the sign.

SOUTH BOSTON, VA., TO HOLD FOURTH ANNUAL TOBACCO FESTIVAL SEPT. 8

The Fourth Annual National Tobacco Festival will be held at South Boston, Va., on September 8th and 9th. More than a thousand characters will be presented and it is estimated that the costumes to be worn are valued at more than $150,000. The pageant will take place in an outdoor amphitheatre. The history of tobacco will be the theme and it will begin with the discovery by the Spaniards of the herb used in Indian ritual and will bring the development of its use down to the present time.

KING EDWARD AMBASSADOR REPORTS SWISHER BRANDS MOVING NICELY

The King Edward package of 10s retailing for 25 cents has the call in many spots as a summer package. It has an appeal for motorists, fishermen, and others who indulge in outdoor activities during the vacation season.

Harry M. Lesher, representing John H. Swisher & Son, of Jacksonville, Fla., the manufacturer, was in Cincinnati a short time ago and reported that the 10s package was moving well and that he had secured additional placements for the brand.

YONKERS TO LICENSE PEDDLERS

The Mayor of Yonkers, N. Y., has signed a city ordinance requiring the licensing of peddlers. Fees will run from $10 to $100 and affects all varieties of peddlers including sidewalk salesmen, hawkers, push-cart men and the like. The ordinance was passed on the urgent appeal of local merchants who held that they had to pay rent and taxes while the push-cart men were paying nothing thus putting the local merchants at a disadvantage from a price standpoint and as a result cut into their consumer sales.

AMERICAN CIGARETTE & CIGAR COMPANY TO PAY STOCK AND CASH

The American Cigarette & Cigar Co. has declared the usual quarterly stock dividend of one-fortieth of a share of American Tobacco B for each share of American Cigarette & Cigar held, payable June 15 to stockholders of record on June 3. The regular quarterly dividend of $1.50 per share on the 6 per cent. preferred, payable June 30 to holders of record on June 15, was also declared this week.

SPRUCE LUMBER
for CIGAR BOXES
It's Brighter - for the Eye
It's Lighter - for Shipping
It's Better - for the Cigars
SPECIFY SPRUCE
Uptegrove Lumber Co.
Cigar Box Lumber for 65 years
15 Washington St. Newark, N. J.

Established 1886
"BEST OF THE BEST"
OPTIMO CIGARS
Manufactured by A. SANTAELLA & CO.
Office, 1181 Broadway, New York City
FACTORIES: Tampa and Key West, Florida

AUTOKRAFT
CIGAR BOXES
Boite Nature
Cedar Chests
Novelty
Wrapped
Are Outstanding In
Quality-Design-Cost
AUTOKRAFT BOX CORP.
Lima, Ohio
Chicago, Ill.
Detroit, Mich.
Hellam, Pa.
Hanover, Pa.
Philadelphia, Pa.
Wheeling, W. Va.

UNITED INSTALLS SELvertiser

A NOVEL display advertising medium which offers interesting possibilities to advertisers is to be introduced into the United Cigar Stores and Whelan Drug Stores in the metropolitan area of New York City early in July. It will be open to all advertisers.

The new medium—the SELvertiser—is a moving multiple poster machine to be installed in the United Cigar Stores and Whelan Drug Stores at points where traffic is heaviest. Combining both action and color, each machine has a capacity of thirty-three posters.

The SELvertiser is the result of years of experimentation by the United Cigar-Whelan Stores Corporation to develop a display service affording a dramatic means of catching the attention of the millions who patronize their stores.

Actual work on the SELvertiser was started about three years ago by Stanton B. Fisher, advertising director of the corporation. Various types of moving poster machines, both domestic and foreign, were investigated. The corporation also sought the reaction of advertisers whose merchandise is not sold in either United or Whelan stores to determine whether the proposed advertising medium had value. Once it was established that the space was saleable, inventors were financed to develop and perfect the most effective poster device. In addition several leading advertising agencies were consulted, and their collaboration was an important factor in the development of the SELvertiser.

The Lester P. Doidge Advertising Company, of 220 West Forty-second Street, New York City, has been appointed exclusive space representative for the SELvertiser.

GEORGE STOCKING VISITS CINCINNATI

George Stocking, the cigar ambassador for Arango y Arango, Tampa, Fla., is making his rounds with the popular "Don Sebastian" brand. He was in Cincinnati recently and visited with the Keilson Cigar Company. In Philadelphia, John Wagner & Sons have a steady demand for the company's brands and at latest reports there is an upward trend noticed on "Don Sebastian" sizes. Retail stands, hotels and clubs merchandising this cigar find it a popular seller.

You can depend on
EL PRODUCTO
CIGARS
for real enjoyment
• The finest HAVANA
• BLENDED with other costly tobaccos
• So MILD you can smoke all day long
• Sparkling TASTE for real enjoyment
• Burns evenly — Holds its ash
• Your choice of SHAPES
10¢
...and you can depend on EL PRODUCTO to build your high-grade business!
..Give yourself the real enjoyment of MORE BUSINESS!
G. H. P. Cigar Co., Inc., Phila., Pa.

POPULAR LEADERS
By P. Lorillard Co

For Bigger Summer Profits
Feature
KING EDWARD
"TENPACK"

A "natural" during the season when smokers spend hours outdoors, fishing, camping, picnicking and playing. Ten big King Edwards in a handy package for a quarter.
King Edward Tenpack sells itself. Keep it in plain sight on the counter and increase your unit of sale. Add to the profits you make from America's biggest selling cigar by having full stocks on hand.
JNO. H. SWISHER & SON, Inc.
Cigar Manufacturers JACKSONVILLE, FLORIDA

Tobacco Merchants' Association Registration Bureau,

341 Madison Ave.
NEW YORK CITY

Schedule of Rates for Trade-Mark Services
Effective April 1, 1916

Registration,	(see Note A),	$5.00
Search,	(see Note B),	1.00
Transfer,		2.00
Duplicate Certificate,		2.00

Note A—An allowance of $2 will be made to members of the Tobacco Merchants' Association on each registration.

Note B—If a report on a search of a title necessitates the reporting of more than ten (10) titles, but less than twenty-one (21), an additional charge of One Dollar ($1.00) will be made. If it necessitates the reporting of more than twenty (20) titles, but less than thirty-one (31), an additional charge of Two Dollars ($2.00) will be made and so an additional charge of One Dollar ($1.00) will be made for every ten (10) additional titles necessarily reported.

NEW REGISTRATIONS

DUTCH FIVES:—46,679. For cigars. Consolidated Cigar Corp., New York, N. Y., June 16, 1938.

DUTCH SIXES:—46,680. For cigars. Consolidated Cigar Corp., New York, N. Y., June 16, 1938.

TRANSFERRED REGISTRATIONS

RICABELLA:—36,304 (United Registration Bureau for Tobacco Industries.) For cigars, cigarettes and tobacco; and 16,133 (U. S. Patent Office). For cigars. Registered February 3, 1911, and November 4, 1911, respectively, by Julius Bien Co., New York, N. Y. Through mesne transfers acquired by Schwarzkopf & Ruckert, New York, N. Y., and re-transferred by Nic. Althaus Co., New York, N. Y., successors to Schwarzkopf & Ruckert, to Charles Gallina, Woodside, L. I., N. Y., June 20, 1938.

MARIE GARCIA:—26,050 (Trade-Mark Record). For cigars, cigarettes and tobacco. Registered January 21, 1902, by Carlos Garcia & Co., Brooklyn, N. Y. Transferred to A. Siegel & Sons, Inc., New York, N. Y., June 10, 1938.

THOMAS JEFFERSON:—3467 (U. S. Tobacco Journal). For cigars. Registered March 26, 1885, by C. Jeyne, Chicago, Ill. Through mesne transfers acquired by Axel L. Thorson, Chicago, Ill., and re-transferred to Marcelino Perez & Co., Tampa, Fla., June 21, 1938.

TRIADELPHIA:—25,025 (Tobacco World). For cigars, cigarettes, cheroots, stogies, chewing and smoking tobacco. Registered October 14, 1912, by Wm. Steiner Sons & Co., New York, N. Y. Transferred by Consolidated Litho. Corp., Brooklyn, N. Y., successors to the original registrants, to Bayuk Cigars Inc., Philadelphia, Pa., July 1, 1938.

CORRECTED PUBLICATION

MAGNO:—11,517 (Trade-Mark Record). For cigars. Registered March 5, 1892, by M. J. Sanchez, New York, N. Y. Through mesne transfers acquired by Ralph Cohalla, Tampa, Fla., and re-transferred to Cohalla y Cia, Tampa, Fla., May 28, 1938.

RENEWAL REGISTRATION

JOHN J. AUDUBON:—46,677. For cigars. Schlegel Litho. Corp., New York, N. Y., June 2, 1938. (Originally registered on January 4, 1889, by Geo. Schlegel, New York, N. Y.)

REYNOLDS TOBACCO CO. IS MAKING TEST OF ALL PHILADELPHIA RADIO STATIONS.

R. J. Reynolds Tobacco Co. last month began four 13-week test campaigns on all Philadelphia stations on behalf of George Washington smoking tobacco. WFIL and WDAS have quarter-hour programs, WDAS has a five-minute series, and the remainder have spot announcements. Yiddish and Italian plugs are also being used. William Esty Co. is the agency.

Three Months' Statistics Ending March 31

Product	1938	Increase or Decrease Quantity	Per Cent.
Plug	13,119,949	— 1,760,966	11.83
Twist	1,299,602	— 350,840	21.26
Fine-cut Chewing	1,188,187	— 823	0.07
Scrap Chewing	9,630,997	— 1,454,954	13.12
Smoking	47,143,480	+ 1,845,245	4.07
Total	72,382,215	— 1,722,338	2.32

CIGAR BOXES

Tel. Algonquin 4-9532 Established 1875

NIC. ALTHAUS CO

CIGAR BOXES

637-641 EAST 17 ST. NEW YORK.

OUR HIGH-GRADE NON-EVAPORATING
CIGAR FLAVORS
Make tobacco mellow and smooth in character and impart a most palatable flavor
FLAVORS FOR SMOKING and CHEWING TOBACCO
Write for List of Flavors for Special Brands
BETUN, AROMATIZER, BOX FLAVORS, PASTE SWEETENERS
FRIES & BRO., 92 Reade Street, New York

TOBACCO TRADE ORGANIZATIONS

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GEORGE H. HUMMELL, New York, N. Y. ..... Vice-President
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JULIUS LICHTENSTEIN, New York, N. Y. ..... Vice-President
ASA LEMLEIN, New York, N. Y. ..... Treasurer
CHARLES DUSHKIND, New York, N. Y. ..... Counsel and Managing Director
Headquarters, 341 Madison Ave., New York City

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EDMUND C. DEARSTYNE, Albany, N. Y. ..... Vice-President
JOSEPH KOLODNY, 200 Fifth Ave., New York, N. Y. ..... Secretary
J. RENZ EDWARDS, Kansas City, Kan. ..... Treasurer

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CIGAR MANUFACTURERS ASSOCIATION OF AMERICA, INC., 200 Fifth Ave., New York, N. Y.

ALVARO M. GARCIA ..... President
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Executive Committee—Alvaro M. Garcia (Ex-officio), Thomas C. Breen, Harley W. Jefferson, D. Emil Klein, Walter E. Popper, Harry S. Rothschild, and Arthur A. Schwarz.

THE YORK COUNTY CIGAR MANUFACTURERS ASSOCIATION

BRUCE G. NEBINGER, Red Lion, Pa. ..... President
C. M. EHEHALT, Red Lion, Pa. ..... Secretary
A. S. ZIEGLER, Red Lion, Pa. ..... Treasurer

Manufactured Tobacco Produced by Classes in Pounds

(As reported by the Bureau of Internal Revenue, based on manufacturers' returns of production)

Month of March

Product	1938	Increase or Decrease Quantity	Per Cent.
Plug	4,806,006	— 542,049	10.14
Twist	411,557	— 241,236	36.95
Fine-cut Chewing	501,925	+ 67,368	15.50
Scrap Chewing	3,373,315	— 755,893	18.31
Smoking	18,155,475	+ 620,598	3.54
Total	27,248,278	— 851,212	3.03

AUGUST
1938

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TOBACCO WORLD

ESTABLISHED
1881

In This Issue

PRESIDENT OF BAYUK CIGARS, INC. STATES PAST SIX MONTHS SALES EXCEED ALL PREVIOUS RECORDS

PRESIDENT SIGNS FAIR LABOR STANDARDS ACT TO BECOME EFFECTIVE OCTOBER 24TH

JUNE CIGARETTE INCREASE NEARLY HALF A BILLION BUT ONLY CLASS A CIGARS SHOW GAIN FOR MONTH

INTERNAL REVENUE COLLECTIONS FROM ALL SOURCES FOR JUNE DROP BEHIND $80,000,000

THE TALK OF THE TRADE

Grace Moore
in Magnolia Gardens
.... Chesterfield time is
pleasure time everywhere

They Satisfy

Copyright 1938, LIGGETT & MYERS TOBACCO CO.

HOBART B. HANKINS—*Editor*

Associate Editor—JOHN CLEARY

THE TOBACCO WORLD

Vol. 58 AUGUST, 1938 No. 8

IN THE month of June Class A cigars gained nearly nine million but losses in the other classifications brought the total increase down to just a little more than five million. The total output in Class A was 422,886,417 cigars. Revenue collections from the tobacco industry gained on cigarettes, snuff, smoking and chewing tobacco, and cigarette paper and tubes.

Cigar output in the Philippine Islands advanced more than a million and a quarter in the month, Classes A, C and D all registering gains. The cigarette production was 25,600, as compared with 57,500 in June, 1937.

In Puerto Rico 105,350 cigars were manufactured for all classes as compared with 3,629,900 in June a year ago. On the other hand there was some increase in manufactured cigarettes. In June of this year 380,600 were made while only 300,000 were made in June of 1937. Only 1800 large cigarettes were made as against 60,000 in the same month a year ago. No little cigars were made at all although 190,000 were produced in June, 1937.

Internal Revenue collections for the month declined more than $80,000,000. This covers all sources. However, while the revenue from cigars declined a matter of more than $4400, cigarette revenue increased $1,373,179, smoking and chewing tobacco, $233,000 and snuff, $27,247, making a total increase for the industry in taxes of $1,629,000.

Receipts from taxes on matches for this June past were $128,000 as compared with $1,114,606 in June of 1937.

▲

COMMENT on smoking by women is, and has been for some time, a heavily travelled road, Since they are privileged to vote it would appear that the right to smoke is also one of their prerequisites. The cigarette business has improved handsomely since women began to smoke. And there doesn't seem to be any logical reason why they shouldn't. It sets a precedent, however, for the daughters and that is a situation most difficult to control.

We note the increasing comment on the matter of grammar and high school girls smoking cigarettes. Not that the cigarette is harmful, but that its use belongs to those who have more maturity. We know a number of girls in high school who use their lunch money for a pack of cigarettes—and consequently eat no lunch. Sometime later when physical examinations are made, the high school physicians advise the parents that the child is under-nourished. And it is obviously true.

Cigarette smoking by matured women is one thing, but the smoking of cigarettes at the rate of a pack or more a day by children in their middle "teens," is something else again. It may not concern "The State of the Nation" now, but it is going to concern the expectant generation.

CONDITIONS IN THE GREEK MARKET

BASED on information obtained from the Offices of Protection of Greek Tobaccos of Kavalla and Salonika, and from other authoritative sources, the American Consulate, at Salonika, in a report made public by the Tobacco Division, Department of Commerce, states that the Greek manipulated tobacco market during the first four months of 1938 was characterized by an almost total stagnation, and transactions concluded on such tobacco during that period were of no consequence.

The stagnation in the Greek tobacco market is attributed to the development of the sales campaign of the 1937 crop by growers, which is claimed to have attracted the full attention of the buying factors either directly because of their purchases, or indirectly because of their desire to study the bearing which the disposal of the 1937 crop would have on the development of the market as a whole before concluding their purchases.

It is further reported that the composition of stocks of manipulated tobaccos available in the Salonika market includes only a limited number of varieties, and therefore are suitable only for the German and a few other markets which absorb low-quality tobaccos. However, this situation is being remedied somewhat by purchases of the 1937 crop being made by the free trade (mostly independent Greek speculators), which will thus be able to offer manipulated tobaccos containing a wider variety of types during the coming export sales season from September, 1938, to August, 1939, thus facilitating the disposal of the older stocks of manipulated tobaccos.

Although some interest was evinced by German concerns for the purchase of the exportable quantity of tobaccos from old crops, amounting to about 450 metric tons, in the hands of the Central Committee for the Purchase of Tobacco (a Greek Government organization), no actual sales out of this stock have been concluded by it, so far. Likewise, no transactions were effected by this committee involving the sale of stocks of tobaccos in its possession, fit for domestic consumption, although inquiries were made for their purchase.

In Eastern Macedonia and Western Thrace, about 961 tons of tobaccos of the 1936 crop remained unsold in the hands of growers at the end of April, 1938. These tobaccos were claimed to be scattered all over the growing regions in that part of the district, and, therefore, not capable of burdening the market in any way. Part of this tobacco is said to have already been disposed of in the meantime.

In Central and Western Macedonia, 16,153 tons of tobaccos of the 1936 crop had been disposed of by growers up to April 30, 1938. On that date there remained in their hands an unsold quantity of 641 tons of the 1936 crop, composed mostly of low-quality tobaccos.

The TOBACCO WORLD (established 1881) is published by Tobacco World Corporation; Hobart B. Hankins, President and Treasurer; John Cleary, Secretary. Office, 236 Chestnut Street, Philadelphia, Pa. Issued monthly. Subscriptions, available only to those engaged in the tobacco industry or trade, $1.00 a year, 15 cents a copy; foreign, $1.75 a year. Entered as second-class mail matter, December 22, 1909, at the Post Office, Philadelphia, Pa., under the Act of March 3, 1879.

The Fair Labor Standards Act of 1938

Sets Minimum Wages and Maximum Hours; Provides Child Labor Provisions and Also Numerous Exemptions From The Act

THE wage and hour provisions of the Administrator become effective on October 24, 1938. Child labor could not be employed in the production of goods for interstate commerce after September 23.

Definitions

"Commerce" means trade, commerce, transportation, transmission or communication among the several States or from any State to any place outside thereof.

"Goods" means wares, products, commodities, merchandise or any articles of commerce or any part or ingredient thereof, but does not include goods after delivery into the actual physical possession of the ultimate consumer thereof other than a producer, manufacturer or processor thereof.

"Produced" means produced, mined, manufactured, handled or in any manner worked upon in any State. An employee is considered to be engaged in the production of goods if he is employed in producing, manufacturing, handling, mining, transporting, or in any other manner working on such goods, *or in any process or occupation necessary to the production thereof.*

"Wage" includes the reasonable cost of furnishing an employee with board, lodging or other facilities if such facilities are customarily furnished by the employer to his employees.

"Employer" includes any person acting directly or indirectly in the interest of an employer in relation to an employee, and includes labor organizations only when acting as employers.

Minimum Wages and Maximum Hours

The law sets up minimum wage and maximum hour standards for employees "engaged in commerce or in the production of goods for commerce." These standards are found in columns 2 and 4 of the following table:

Minimum Wages

Periods (1)	In the Absence of a Minimum Wage Order (2)	Limits Within Which Minimum Wages May Be Prescribed by a Minimum Wage Order (3)	Maximum Hours* (4)
First Year	25¢ per Hour	25—40¢ per Hour	44 Hours
Second Year	30¢ per Hour	30—40¢ per Hour	42 Hours
Next Five Years	30¢ per Hour	30—40¢ per Hour	40 Hours
Thereafter	40¢ per Hour	30—40¢ per Hour	40 Hours

*These limits may be exceeded if employees are paid for overtime at a rate of not less than one and one-half times the regular rate.

Child Labor Provisions

The law prohibits the shipment in commerce of goods produced in a United States establishment *in or about which within thirty days prior to the removal of such goods* any "oppressive child labor" has been employed.

"Oppressive child labor" is defined as (1) the employment of persons under 16 in any occupation or (2) the employment or persons between 16 and 18 in any occupation determined by the chief of the children's bureau in the Department of Labor to be particularly hazardous or detrimental to their health or well being.

The prosecution and conviction of a defendant for violation of the above provisions acts as a bar to further prosecution against the same defendant for shipments or deliveries for shipment before the beginning of said prosecution.

The chief of the Children's Bureau is authorized to make all investigations with respect to the employment of minors, and to bring actions, subject to the control of the Attorney General, to enjoin acts which are unlawful by reason of the existence of oppressive child labor.

Exemptions

FROM THE WAGE-HOUR PROVISIONS:

(1) Employees in a bona fide executive, administrative, professional or local retailing capacity, or outside salesmen (as such terms are defined by the regulations of the Administrator).

(2) Employees in retail or service establishments, the greater part of whose selling or servicing is in *intra* state commerce.

(3) Seamen.

(4) Employees or air carriers subject to the provisions of Title II of the Railway Labor Act.

(5) Employees engaged in the catching, packing or distribution of fish, and related activities in the fishery industry.

(6) Employees engaged in agriculture which includes farming in all its branches, dairying, the raising of livestock, bees, fur-bearing animals and poultry, and activities conducted by a farmer or on a farm.

(7) Learners, apprentices, messengers and handicapped workers to the extent exempted by the Administrator. The Administrator is empowered to prescribe wages lower than the minimum specified in the law for these classes of workers, and for limitations as to time, number, proportion and length of service.

(8) Employees of weekly or semi-weekly newspapers having a circulation of less than 3000, the major part of which is in the county where printed or published.

(9) Employees of suburban or interurban electric railways, local trolley or motor bus carriers.

(10) Persons *employed within the area of production* engaged in the handling, packing, storing or otherwise preparing agricultural or horticultural commodities for market, or in making cheese or butter or other dairy products.

(11) Employees of the United States or of any State or local governmental unit.

FROM THE HOUR PROVISIONS:

(1) Employees subject to Section 204 of the 1935 Motor Carrier Act.

(2) Employees subject to the provisions of Part I of the Interstate Commerce Act.

(3) Employees are permitted to work up to 12 hours per day and 56 hours per week without payment of the overtime rate if they are employed as follows:

(*Continued on page 6*)

President Signs Fair Labor Act To Become Effective October 24th

Secretary Kolodny of N. A. T. D. Sends Memorandum to Members Urging That They Comply With the Enacted Law

JOE KOLODNY, secretary of the National Association of Tobacco Distributors, has sent out a bulletin under date of July 15th concerning the Fair Labor Standards Act of 1938 which establishes minimum wages and maximum hours provisions. The bill was passed by the Senate and House of Representatives on June 14, 1938, and to become effective 120 days after its signature by the President of the United States. The President's signature was affixed on June 25th and the law will therefore become effective October 24, 1938.

Mr. Kolodny further states:

"All industries engaged in interstate commerce or in producing goods for interstate commerce will be required to observe the law. We shall—in due time—issue a special release fully analyzing the various provisions of this law and also furnish appropriate guidance to our members of the extent to which the law applies to them.

"In the interim, however, it is highly important that each industry start at once to *assemble its wage data.* Of course, many skeptics are apt to assume the position that the constitutionality of the wage and hour law may be challenged later. Such an attitude, however, would be unwise and impractical. In the first place, it is the duty of every American law-abiding citizen to conform with the law as enacted, and, secondly, from a common-sense standpoint, we must realize that the new attitude of the Supreme Court *toward interstate commerce suggests that chances are on the side of validation.*

"Preliminary studies—looking toward the administration of the Fair Labor Standards Act of 1938 have already begun. What is being done now is the assembling of data by the Bureau of Labor Statistics relative to wage scales in numerous industries. These will form a basis for determining not only which industries are below the 25-cent minimum but which could or should pay higher wage scales than now paid.

"The following is a preliminary analysis of the Fair Labor Standards Act of 1938 (Wage and Hour Law):

"(a) A Wage and Hour Division will be established in the Labor Department under the direction of an administrator to be appointed by the President and confirmed by the Senate.

"(b) An Industry Committee will be appointed by the administrator for each interstate industry composed of an equal number of representatives of the public, employees, and employers.

"(c) Subject to the power of the administrator to order *certain changes,* the minimum wages in all industries during the first year shall be 25 cents per hour; during the following six (6) years, 30 cents per hour; after expiration of seven (7) years, 40 cents per hour.

"(d) The work week is limited to 44 hours, first year; 42 hours, second year; and 40 hours, third year. Time and a half must be paid for overtime.

"(e) Increases in minimum wage rates shall be recommended by the Industry Committee from time to time in order to accomplish a nation-wide minimum of 40 cents per hour as soon as possible.

"(f) 'Oppressive child labor' is prohibited, i. e., the employment of an employee under the age of 16 years, except by parent, or the employment of a person between the ages of 16 and 18 in industries found to be hazardous or detrimental to health or well-being by Children's Bureau of Labor Department.

"(g) Exempted from the act are those employed in bona fide executive, administrative, professional, or *local retailing capacity,* or in the capacity of *outside salesmen.*

"(h) Penalty: for violation of any provision of the act shall be a fine of not more than $10,000 or imprisonment of not more than six months, or both. Employer violating wage or hour provisions shall be liable in court for amount of employees' unpaid minimum wages or unpaid overtime compensation plus an equal amount as liquidating damages.

"(i) The administrator or his designated representatives may investigate and gather data regarding the wages, hours, and other conditions and practices of employment in any industry subject to this Act, and may enter and inspect such places and such records (and make such transcriptions thereof), question such employees, and investigate such facts, conditions, practices, or matters as he may deem necessary or appropriate to determine whether any person has violated any provision of this Act, or which may aid in the enforcement of the provisions of this Act.

"To derive the full value of any activity, it is important that we deal with facts and adapt ourselves to new conditions. Whatever our beliefs or convictions (and in this great country where everyone has a right to exercise freedom of thought, we should respect the views of everyone), we must face realities. These are . . . that several years ago, a new era was heralded into the United States; that business enterprise, to sustain and survive, must acclimate and adapt itself to these changing trends.

"Now we have the Wage and Hour Law. How will it affect your business? How will it affect our trade?

"Every industry is currently engaged in a study of the problems arising as a result of the enactment of this statute. As a member of an association, *it is your right to look to your association for guidance in these far-reaching legislative developments.* We are equipping ourselves to provide this service for you. You must realize, however, that we are rendered helpless without adequate data and statistics in substantiation of our economic position.

"With this objective in view, we are enclosing herewith a questionnaire which seeks a number of pertinent answers relative to your operations, number of employees, wages and hours. We wish to lay stress

(*Continued on page 12*)

FAIR LABOR STANDARDS ACT OF 1938

(*Continued from Page 4*)

(a) Under an agreement made as a result of collective bargaining by representatives certified by the National Labor Relations Board providing (a) that no employee can work more than 1000 hours during any 26 consecutive weeks or (b) for annual employment with a limitation of 2000 hours during any 52 consecutive weeks.

(b) For not more than 14 weeks in the aggregate in industries which the administrator determines to be of a seasonal nature.

(4) Employees engaged in the first processing of milk and related products into dairy products.

(5) Employees engaged in ginning and compressing of cotton or in cottonseed processing.

(6) Employees processing sugar beets, sugar beet molasses, sugar cane, or maple sap, into sugar (but not refined sugar) or into syrup.

(7) Employees engaged in the first processing of, or the canning or packing of perishable or seasonal fruits and vegetables; the first processing within the area of production (as defined by the administrator) of agricultural or horticultural products during seasonal operations; the handling, slaughtering or dressing of poultry or livestock, *for not more than 14 weeks in the aggregate in any calendar year.*

FROM THE CHILD-LABOR PROVISIONS:

(1) Employees engaged in agriculture at a time when school attendance is not legally required.

(2) Actors in motion pictures or theatrical productions.

(3) Children under 16 employed by their parents in any occupation other than manufacturing or mining.

(4) Persons working in any occupation under an unexpired certificate issued by the chief of the Children's Bureau certifying that such persons are above the oppressive child labor age.

(5) Persons between 14 and 16 in occupations other than manufacturing and mining, if the chief of the Children's Bureau finds that such employment will not interfere with schooling or their health or well-being.

Administration

The President with the advice and consent of the Senate shall appoint an Administrator to head a new division in the Department of Labor to be known as the Wage and Hour Division. The Administrator is required to submit annually a report to Congress covering the activities of the preceding year together with such recommendations for further legislation as he may deem advisable.

As soon as practicable, the Administrator is empowered to appoint an industry committee for each industry engaged in commerce or in the production of goods for commerce. Each committee must be composed of an equal number of representatives of the public, the employees in the industry and the employers in the industry. There is no limitation as to the size of the committees.

The Administrator, the chief of the Children's Bureau and the committees may summon witnesses and require the production of books, papers and documents. The Administrator is required to furnish each committee with relevant data and information and the committee may call upon the Administrator to furnish additional information.

Procedure in Determining Minimum Wages

The Administrator shall convene the committees from time to time. The committees may (1) hear witnesses, (2) receive evidence, (3) investigate conditions in the industry, (4) recommend reasonable classifications within the industry for the purpose of determining minimum wages for each classification, and (5) recommend minimum wages for the industry as a whole or for classifications within the industry.

After the committee files a report of their recommendations, the Administrator shall hold hearings. The Administrator shall then approve the recommendations if he finds that they (1) are made in accordance with law, (2) are supported by evidence taken at the hearing, and (3) will carry out the purposes required, otherwise he shall disapprove the report, in which case he may refer the matter to the same committee for further consideration or appoint a new committee.

No wage order can become effective until notice is given by publication in the Federal Register and by such other means as the Administrator deems necessary to give general notice.

No wage order issued during the first seven years shall remain in force and no wage order shall be issued after the expiration of this period, *unless* the committee recommends and the Administrator finds that the continuance or the issuance of the order is necessary to prevent substantial curtailment of employment in the industry.

Minimum Wage Basis

The stated policy of the law is to reach as rapidly as possible a universal minimum wage of 40 cents per hour without substantially curtailing employment.

In determining either minimum wage rates or occupational classifications, the Administrator and the committee must be guided by the following factors:

(1) Competitive conditions as affected by transportation, living and production costs.

(2) Wages established for work of a like character by collective labor agreements.

(3) Wages paid for work of a like character by employers who voluntarily maintain minimum wage standards.

No classification shall be made on the basis of age of sex.

In determining classifications and minimum wage rates for such classifications, no classification shall be made and no minimum wage rate fixed, solely on a regional basis.

Investigations

The Administrator is empowered to investigate and gather data, enter places of employment, inspect and copy records and investigate other matters in any industry subject to the act in order to determine whether violations have occurred or to aid in the enforcement of the act.

Both the Administrator and the chief of the Children's Bureau in their respective duties may use the services of State and local agencies and may reimburse the same for services rendered.

Records to Be Kept by Employers

The Administrator may prescribe by regulation (1) the records on wages, hours and other employment conditions which must be kept by employers, (2) the period of time during which such records must be kept, and (3) the reports which are required of an employer.

(*Continued on Page 11*)

Cigars are the most pleasurable and economical form of smoking.

BAYUK BULLETIN

Devoted to the best interests of the men who sell cigars.

First Issued 1929 — AUGUST, 1938 — *Prepared twice a month*

PHULOFAX

(The Retailer's Friend)

SAYS

All shirk and no work makes Jack a bench-boy.

—o—

He's a new man on the sales force but Phil predicts he will make good. Why? Because he asks a thousand questions and makes a million notes.

—o—

"In your estimation, how much is my window worth to a salesman who wants me to give it to him for a display?" So writes Arthur ———.

Dear Arthur: Between you and me, your window is worth more to *you* if the salesman has a worthy product than any salesman can afford to pay. Do you want to sell the salesman's product? Will his window display help you sell more of that product?

If the answer is "yes", then the other answer is obvious.

—o—

Did you, Mr. Retailer, pull some good selling stunts on Father's Day? Make a Memorandum of them and work them again next year.

—o—

Labor Day, falling on Monday, will afford a long "week-end vacation"—plan for cigars by the box.

—o—

Don't forget, Mr. Salesman, that Mr. Retailer is entitled to more than merely taking his order . . . he is entitled to real service and courtesy and so is Mr. Consumer entitled to these things, too, Mr. Retailer.

—o—

The per capita consumption of oranges in 1907 was 31.4 . . . to-day it is 79 oranges or an increase of 150%.

What can be done on oranges CAN BE DONE ON CIGARS!

—o—

One salesman was asked, "What is our radio program doing for you?" He said, "It's keeping me in nights to listen to it".

The same question to another salesman and he answered, "It is helping me increase the sale of our products".

—o—

Frank ——— wants to know if Otto Noebetter is a "ficticious character."

Phil refuses to answer . . . what do other readers think?

—o—

Display Five Packs!

*Phil M. Phulofax**

D. B. I.

**Associated with* BAYUK CIGARS INC., *Philadelphia — Makers of fine cigars since 1897.*

Advertisement

"SALES-DOGGLING"

or How Not to Sell—No. 25

LOTTA: Hello, Otto, my hard-working husband! You're unusually late getting home this evening, aren't you?

OTTO: Don't you know whether I am or not? Has your clock stopped running?

LOTTA: No, my peevish pet, it hasn't, but why do you get home so late?

OTTO: I've got to get enuf orders to hold my job, don't I?

LOTTA: Yes, I know that but does your Boss require you to get an unreasonably large number of orders and work unreasonably long hours? Do you have to get more than the average number secured by the other salesmen? And, do they all have to work as late as you do?

OTTO: Say, look here you she district attorney, why all this crazy cross-examination? You've got something in your bean—spill it!

LOTTA: Well, to tell the truth, Otto, I have, and maybe it'll do some good if I do call a spade a spade.

OTTO: Oh, I suppose George's wife was over here this afternoon and she gave you the real low-down on George's job and my job . . . let her mind her own business!

LOTTA: Now, Otto, don't be like that. George has the same kind of job you have and you keep harping to me that George and his wife are our best friends . . . she is not a tattler and I had to use forceps to get any business thoughts out of her.

OTTO: Come on . . . out with it . . . let's get the agony over!

LOTTA: Well, she said George didn't have to work beyond reasonable hours and you told me he has been top man in sales for the past three months?

OTTO: And I suppose she told you that I've been bottom man for the past three months?

LOTTA: Wrong again, Otto. I got her to talk about George — not about you. Don't you see that I wanted to find out why you have to work so late and why George doesn't.

OTTO: Hurry up, you female magician—what's the charmed secret?

LOTTA: Of course, you know George's wife is very proud of him and maybe she did spread it on a little but anyhow here's what I pried out of her:

George and his wife talk things over and she said that George's slant was something like this: He said he was a Salesman when he made application for a job with your Boss and he knows that a salesman's job is to sell enuf of the products handled by the Boss to kill all his own expenses and leave a little over for the rightful profit of the Boss.

He figures that when he doesn't sell enuf orders, or orders up to the Boss' requirements, or sufficient orders to compare favorably with the average number of orders secured by all the salesmen in reasonable working time, either the Boss is wrong in asking for that required number of orders or he just isn't a good enuf salesman. But, he argues that the Boss is not unreasonable in expecting from a Salesman so-and-so much business . . . that other salesmen do it and that it is up to him to do likewise. Now, George doesn't like to work long hours, but if he doesn't get the business required to hold his job, he says he's got to do one of two things—either improve his selling ability and get the business in a reasonable number of working hours or work longer. He says it is just as simple as that! Fortunately, George says he is a Salesman and proves it by getting the business and yet not being home late.

OTTO: And that makes me — what? Ain't I a salesman?

LOTTA: You say you are and George's wife says George is, too, but George doesn't get home late and you do! Can't you see, Otto, what you've got to do?

OTTO: I guess I've either got to get the proper volume of business and be home on time or stay out later to get it.

LOTTA: Well, you don't blame the Boss for needing a certain volume of business from each salesman and you don't blame George for proving that it can be done—do you, Otto? I want you home earlier, Otto, but I want you to hold your job, too. Both are possible, Otto — can't you see that?

OTTO: Yes, Lotta, I'm getting to see how to do it . . . in fact, I know how to do it!

LOTTA: How, Otto?

OTTO: By being a BETTER SALESMAN!

LOTTA: Spoken like a real He-man! I'm proud of you . . . now sit down and eat!

OTTO: Thanks, old girl, thanks!

Phillies
(BAYUK PHILADELPHIA PERFECTO)
Havana Ribbon
Mapacuba
Charles Thomson
Prince Hamlet
BAYUK BRANDS BUILD BUSINESS

Class A Makes Gain in Month of June

Cigar Production in the Philippines Up More Than 6½%; Cigarette Production in United States Increase Half a Billion

THE production of large cigars in the month of June, 1938, increased over June, 1937, to the extent of 1.07 per cent. according to the analysis of the Tobacco Merchants Association. Only Class A showed an increase which in the number of cigars was 8,762,275, or 2.12 per cent. All other classes failed to register a gain. Cigarettes advanced by almost 458,000,000, or 3.21 per cent.

In the Philippines more than 16,000,000 cigars were withdrawn, which is an increase of more than 6½ per cent. over June of 1937. The gain was principally in Class A, although there was some slight increase in Classes C and D. The sale of Philippine cigarettes declined more than 50 per cent., no doubt due to the importations from the United States and other countries.

The gain in Class A indicates the direction in which the New Deal is taking the smokers of the country, which is to the five-cent cigar—because they can't afford anything more expensive. And even that classification doesn't seem to be going any place in particular.

Class B cigars, of which about four and a half million were made in June, shows a decline over the previous June of more than 10½ per cent. Only 2900 were produced in the Philippine Islands and 12,000 in Puerto Rico.

In Class C there was produced approximately 46,500,000 in the United States which was a decline of 5.87 per cent. Cigars in this class from the Philippines increased more than 10,000 while those from Puerto Rico decreased more than 53,000.

More than 3,000,000 Class D cigars were made in the United States during the month, but this was a decline of more than 4.5 per cent. as compared with June of 1937. Only 10,000 were made in the Philippines and but 400 in Puerto Rico.

From a percentage standpoint Class E took the worst beating, declining by 34.80 per cent. Less than 242,000 were made in the United States, only 5 in the Philippines and none at all in Puerto Rico.

In little cigars about 13,000,000 were produced. This is a decline of more than 6,370,000, which is equivalent to a loss of more than 33 per cent. None were manufactured in the Philippine Islands or in Puerto Rico in June of 1938.

The cigarette production in the United States for June totals 14,716,625,000. This is an increase over the previous June of 457,748,600, or about 3⅛ per cent. Twenty-five thousand six hundred cigarettes were made in the Philippines, which is about 32,000 less than in June of 1937. The cigarette output in Puerto Rico was 380,000, a gain of 80,600 over the same month of 1937.

Production of snuff showed an increase of 157,000 pounds, bringing the total to 3,118,688 pounds for the month. The percentage increase was 5.31.

Manufactured tobacco registered a gain of more than 5 per cent., or 1,291,782 pounds. The output for

(Continued on Page 14)

Product	June, 1938		Increase or Decrease Quantity	Per Cent.
Cigars:				
Class A—				
United States	422,886,415	+	8,762,275	2.12
Philippine Islands	16,428,450	+	1,015,645	6.59
Puerto Rico	47,750	—	3,407,000	....
Total	439,362,615	+	6,370,920	1.47
Class B—				
United States	4,554,747	—	541,966	10.63
Philippine Islands	2,960	—	1,270	....
Puerto Rico	12,050	—	64,650	....
Total	4,569,757	—	607,886	11.74
Class C—				
United States	46,499,904	—	2,897,226	5.87
Philippine Islands	19,162	+	10,010	....
Puerto Rico	45,150	—	53,300	....
Total	46,564,216	—	2,940,516	5.94
Class D—				
United States	3,260,598	—	154,065	4.51
Philippine Islands	10,526	+	8,126	....
Puerto Rico	400	+	400	....
Total	3,271,524	—	145,539	4.26
Class E—				
United States	241,830	—	129,057	34.80
Philippine Islands	5	—	1,095	....
Puerto Rico	.....		.....	....
Total	241,835	—	130,152	34.99
Total All Classes:				
United States	477,443,494	+	5,039,961	1.07
Philippine Islands	16,461,103	+	1,031,416	6.68
Puerto Rico	105,350	—	3,524,550	....
Grand Total	494,009,947	+	2,546,827	0.52
Little Cigars:				
United States	12,845,613	—	6,371,094	33.15
Philippine Islands	.....		.....	....
Puerto Rico	.....	—	190,000	....
Total	12,845,613	—	6,561,094	33.81
Cigarettes:				
United States	14,716,624,943	+	457,748,596	3.21
Philippine Islands	25,600	—	31,900	....
Puerto Rico	380,600	+	80,600	....
Total	14,717,031,143	+	457,797,296	3.21
Large Cigarettes:				
United States	199,936	+	17,629	9.67
Philippine Islands	.....		.....	....
Puerto Rico	1,800	—	58,200	....
Total	201,736	—	40,571	16.74
Snuff (lbs.):				
All United States	3,118,688	+	157,265	5.31
Tobacco (Chewing and Smoking) lbs.:				
United States	27,060,826	+	1,291,782	5.01
Philippine Islands	.....		.....	....
Total	27,060,826	+	1,291,782	5.01

Only Class B Cigars Gain in the Fiscal Year in the United States

Cigarettes Increased $5,700,000,000 for a Grand Total of $164,376,299,638; Philippine Cigars Gain More Than 22%

CIGAR production in the United States for the fiscal year ending June 30th, as reported by the Tobacco Merchants Association, reveals the fact that only Class B landed in the plus column—to the extent of 1,338,602 cigars. All other classes made in the United States proper "took it on the chin," so to speak. The total decline covering all classes was 218,750,852—a loss of 4.07 per cent.

The Philippine Islands, on the other hand, has a good report for the fiscal year. They produced 199,055,984 cigars for a gain of 36,212,170, which is an increase of 22.24 per cent. It looks as if the Manila manufacturers have something and that Charlie Bond and Dave Morris, ambassadors for the Philippine product in this country, have lost no time in capitalizing the merits of Manila cigars.

Puerto Rico cigar manufacturers need a Bond and a Morris to clear up and clean up their present situation. The production for that island was less than 10,500,000 in the past twelve months. This is a decrease of more than 37,000,000 as compared with the fiscal year of 1937.

Cigarettes made in the United States increased nearly 6,000,000,000 in the fiscal period. While they are earning good money through shrewd management and good advertising, they are not getting the break to which they are entitled. If taxes were lower—and the gentleman who dictates the policies of Congress in the matter of taxation would spend more time in Washington, the whole situation might be much more satisfactory, and less expensive from a national standpoint.

Product	Fiscal Yr. Ending June 30, 1938		Increase or Decrease Quantity	Per Cent.
Cigars:				
Class A—				
United States	4,523,491,795	—	181,159,095	3.85
Philippine Islands	198,044,180	+	35,967,820	22.19
Puerto Rico	9,378,875	—	36,266,625	....
Total	4,730,914,850	—	181,457,900	3.69
Class B—				
United States	55,062,023	+	1,338,602	2.49
Philippine Islands	308,630	+	5,391	1.78
Puerto Rico	325,150	—	933,900	....
Total	55,695,803	+	410,093	0.74
Class C—				
United States	531,113,642	—	35,483,534	6.26
Philippine Islands	327,589	+	80,101	....
Puerto Rico	722,000	+	65,950	....
Total	532,163,231	—	35,337,483	6.23
Class D—				
United States	39,068,263	—	2,864,208	6.83
Philippine Islands	369,078	+	159,026	....
Puerto Rico	700	+	100	....
Total	39,438,041	—	2,705,082	6.42
Class E—				
United States	4,557,296	—	582,617	11.34
Philippine Islands	6,507	—	168	....
Puerto Rico	.....		.....	....
Total	4,563,803	—	582,785	11.32
Total All Classes:				
United States	5,153,293,019	—	218,750,852	4.07
Philippine Islands	199,055,984	+	36,212,170	22.24
Puerto Rico	10,426,725	—	37,134,475	....
Grand Total	5,362,775,728	—	219,673,157	3.94
Little Cigars:				
United States	174,658,995	—	18,496,162	9.58
Philippine Islands	.....		.....	....
Puerto Rico	796,680	—	1,033,320	....
Total	175,455,675	—	19,529,482	10.02
Cigarettes:				
United States	164,376,299,638	+	5,701,887,938	3.59
Philippine Islands	593,763	—	388,884	....
Puerto Rico	4,898,600	+	187,800	....
Total	164,381,792,001	+	5,701,686,854	3.59
Large Cigarettes:				
United States	2,941,426	+	272,586	10.21
Philippine Islands	1,021	—	1,951	....
Puerto Rico	255,350	—	144,650	36.16
Total	3,197,797	+	125,985	4.10
Snuff (lbs.):				
All United States	37,104,596	+	107,329	0.29
Tobacco (Chewing and Smoking) lbs.:				
United States	299,885,148	—	5,856,865	1.92
Philippine Islands	58	+	58	....
Total	299,885,206	—	5,856,807	1.92

***Manufactured Tobacco Produced by Classes**

(As reported by the Bureau of Internal Revenue, based on manufacturers' returns of production)

Month of April

Product	1938		Increase or Decrease Quantity	Per Cent.
Plug	4,374,732	—	627,750	12.55
Twist	366,253	—	246,252	40.20
Fine-cut Chewing	365,662	—	164,225	30.99
Scrap Chewing	3,492,609	—	267,044	7.10
Smoking	16,362,831	—	761,651	4.45
Total	24,962,087	—	2,066,922	7.65

Four Months Ending April 30

Product	1938		Increase or Decrease Quantity	Per Cent.
Plug	17,494,681	—	2,388,716	12.01
Twist	1,665,855	—	597,092	26.39
Fine-cut Chewing	1,553,849	—	165,048	9.60
Scrap Chewing	13,123,606	—	1,721,998	11.60
Smoking	63,506,311	+	1,083,594	1.74
Total	97,344,302	—	3,789,260	3.75

*The production figures are in pounds, and are subject to revision until published in the annual report of the Commissioner of Internal Revenue.

For Bigger Summer Profits

Feature

KING EDWARD "TENPACK"

A "natural" during the season when smokers spend hours outdoors, fishing, camping, picnicking and playing. Ten big King Edwards in a handy package for a quarter.

King Edward Tenpack sells itself. Keep it in plain sight on the counter and increase your unit of sale. Add to the profits you make from America's biggest selling cigar by having full stocks on hand.

JNO. H. SWISHER & SON, Inc.

Cigar Manufacturers JACKSONVILLE, FLORIDA

Tobacco Merchants' Association Registration Bureau, 341 Madison Ave. NEW YORK CITY

Schedule of Rates for Trade-Mark Services
Effective April 1, 1916

Registration,	(see Note A),	$5.00
Search,	(see Note B),	1.00
Transfer,		2.00
Duplicate Certificate,		2.00

Note A—An allowance of $2 will be made to members of the Tobacco Merchants' Association on each registration.

Note B—If a report on a search of a title necessitates the reporting of more than ten (10) titles, but less than twenty-one (21), an additional charge of One Dollar ($1.00) will be made. If it necessitates the reporting of more than twenty (20) titles, but less than thirty-one (31), an additional charge of Two Dollars ($2.00) will be made and so an additional charge of One Dollar ($1.00) will be made for every ten (10) additional titles necessarily reported.

NEW REGISTRATION

HOLIDAY:—46,687. For smoking tobacco. The Scranton Tobacco Co., Scranton, Pa., July 25, 1938.

TRANSFERRED REGISTRATIONS

CARLYLE:—44,859 (Trade-Mark Bureau of the Tobacco Merchants Association). For pipes and smokers' articles. Registered February 8, 1927, by House of Comoy, Inc., New York, N. Y. Transferred to R. H. Macy & Co., Inc., New York, N. Y., July 18, 1938.

ROSEBERY:—43,322 (Trade-Mark Bureau of the Tobacco Merchants Association). For pipes and smokers' articles. Registered June 21, 1923, by House of Comoy, Inc., New York, N. Y. Transferred to H. Comoy & Co., Ltd., London, England, and retransferred to R. H. Macy & Co., Inc., New York, N. Y., July 21, 1938.

STATE PLANS TOBACCO JUBILEE

With features ranging from mule shows to beauty contests, and square dances to modern swing, the second annual North Carolina tobacco festival will get under way at Wilson, N. C. on August 15th.

The four-day festival will get off with the first state-wide safety parade ever to be held in the Tar Heel state. Captain C. D. Farmer, of the State Highway Patrol will lead the parade with fancy maneuvers by his crack squadron of motorcycle-police. Floats and safety units emphasizing the spirit of safety, from many North Carolina towns, will be included in the parade.

Queens and royalty of all types will be received by Miss Charlotte Fleming, reigning princess of Wilson, who will welcome all applicants to the crowns of Queen of the Festival and Queen of Beauty. These aspirants to either ruling monarch of the festival or the title of most beautiful North Carolina tobacco girl, come from towns in every section of the state.

Novelties feature the exposition. There will be a pet parade in which all of the singular and odd pets of Wilson will march in review. In the final parade, something new under the sun in the form of an air-conditioned giraffe and many other papier mache and burlap animals, will make marching comfortable for the inmates of the creatures.

On the serious side of the festival will be an exhibit of the tobacco grown near Wilson, largest tobacco market in the world. Governor Clyde R. Hoey of North Carolina will be guest at a luncheon in his honor and he will lead coronation ceremonies that will conclude the four-day celebration in honor of North Carolina's greatest weed.

FAIR LABOR STANDARDS ACT OF 1938

(*Continued from Page 6*)

Acts Expressly Prohibited

It is declared unlawful for any person:

(1) To transport, offer for transportation, ship, deliver or sell in commerce or to ship, deliver or sell with knowledge that shipment or delivery or sale in commerce is intended, any goods in the production of which any employee was employed in violation of the minimum wage or maximum hour provisions or orders or regulations of the Administrator. Common carriers are not liable for violation of this provision unless the goods shipped were produced by the common carrier.

(2) To violate the minimum wage or the maximum hour standards or the orders or regulations of the Administrator.

(3) To discharge or discriminate against an employee because he has filed complaint or instituted proceedings under this act, has testified or is about to testify, or has served or is about to serve on an industry committee.

(4) To violate the child labor provisions.

(5) To violate any of the provisions regarding the keeping of records or to file any record or report or to make any statement known to be false in a material respect.

Proof that an employee was employed in any establishment where goods shipped or sold in commerce were produced within ninety days prior to the removal of the goods constitutes prima facie evidence that such employee was engaged in the production of such goods.

Penalties

(1) Persons willfully violating any of the above provisions shall upon conviction be fined not more than $10,000 or be imprisoned for not more than six months or both. Persons could be imprisoned only in the case of conviction for a second or subsequent offense.

(2) Employers violating the minimum wage or maximum hour provisions are liable for the amount of unpaid minimum wages or for unpaid overtime compensation and an additional equal amount as liquidated damages. Action to recover may be maintained in any court of competent jurisdiction. The Court shall allow a reasonable attorney's fee and costs of the action.

Injunctions

The United States District Courts and the United States Courts of the Territories and possessions shall have jurisdiction to enjoin violations subject to Section 20 of the Clayton Act of 1914 as amended.

Relation to Other Laws

This law does not excuse compliance with Federal, State or municipal laws which (1) establish a higher minimum wage or a lower maximum work week than established under this act, and (2) establish higher standards for child labor than those established under this act.

No provision of this law shall justify an employer in reducing wages which are in excess of the applicable minimum wage under this law or in increasing hours maintained which are shorter than the maximum hours applicable under this act.

Separability

The invalidation of any provisions of this act or the application of such provisions shall not affect the remainder of the act.

Digest of Monopoly Investigation Resolution

The committee is composed of three Senators, three Representatives, and one representative of each of the following departments and agencies: The Labor Department, the Treasury Department, the Commerce Department, the Justice Department, the Federal Trade Commission, and the Securities and Exchange Commission. Any representative of the departments and agencies may designate an alternate to sit in his absence.

Duties of the Committee

(1) To make a complete investigation of the "matters referred to in the President's message of April 29, 1938, on monopoly and the concentration of economic power in and financial control over production and distribution of goods and services."

(2) To investigate the subject of governmental adjustment of the purchasing power of the dollar in order to attain 1926 commodity price levels.

(3) To recommend legislation upon the subjects to be studied including improvement of antitrust policy and procedure and the establishment of national standards for corporations in interstate and foreign commerce.

Objectives

In making the investigation the committee is directed to determine if possible:

(1) The causes of the concentration of economic power and financial control and their effect upon competition.

(2) The effect of the existing price system and the price policies of industry upon the general level of trade, employment, long term profits, and consumption.

(3) The effect of existing tax, patent and other Government policies upon competition, price levels, unemployment, profits and consumption.

Hearings

The departments and agencies represented are directed to appear before the committee and present evidence by the examination of witnesses and the introduction of documents and reports, and may request the committee to subpœna such witnesses as the departments and agencies may request.

Reports

Preliminary reports of the studies and investigations could be submitted to the President as soon as practicable. Further reports could be offered from time to time, and final reports are due before the termination of the 76th Congress which ends in 1940.

Powers Regarding Witnesses

The committee would have the same powers to administer oaths and subpœna witnesses and documents as is conferred by Section 18 (c) of the Public Utility Holding Company Act. The provisions of Sections 18 (d) and (e) of the same act regarding contumacy of witnesses and refusal to testify on constitutional grounds would also apply.

Appropriation

$500,000 is authorized to be appropriated, to be allocated as follows:

To the committee	$100,000
To the departments and agencies as the President shall direct	$400,000

Duration

The authority conferred upon the committee shall continue until the beginning of 1941.

SPRUCE LUMBER
for CIGAR BOXES
It's Brighter - for the Eye
It's Lighter - for Shipping
It's Better - for the Cigars
SPECIFY SPRUCE
Uptegrove Lumber Co.
Cigar Box Lumber for 65 years
15 Washington St. Newark, N. J.

Established 1886
"BEST OF THE BEST"
OPTIMO CIGARS
Manufactured by A. SANTAELLA & CO.
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FACTORIES: Tampa and Key West, Florida

AUTOKRAFT
CIGAR BOXES
Boite Nature
Cedar Chests
Novelty
Wrapped
Are Outstanding In
Quality-Design-Cost
AUTOKRAFT BOX CORP.
Lima, Ohio
Chicago, Ill.
Detroit, Mich.
Hellam, Pa.
Hanover, Pa.
Philadelphia, Pa.
Wheeling, W. Va.

JOSEPH F. CULLMAN, SR., PASSES

AT THE age of eighty-three death called Joseph F. Cullman, Sr., on Monday, August 1st. He was one of the outstanding figures in the leaf tobacco business for years and his firm, Cullman Bros., Inc., which has headquarters at 161 Front Street, New York City, is one of the most important in the country.

Aside from his own business, his activities were many and his aid to charities were abundant. He was a member of the board of trustees of Mt. Sinai Hospital for more than forty years.

Surviving him are two sons, Joseph F. Cullman, Jr., president of Webster-Eisenlohr, Inc., and Howard S. Cullman, vice-chairman of the New York Port Authority.

BAYUK CIGARS EARNINGS INCREASE

BAYUK Cigars, Inc., and wholly owned subsidiaries report net earnings for six months ended June 30th of $473,290.89 equal, after preferred dividends, to $1.05 per share on common stock against net earnings of $393,205.04 equal, after preferred dividends, to 83 cents per share on common stock for same period of 1937.

In commenting on Bayuk's progress, A. Joseph Newman, president, stated that despite the decline in national cigar production the volume of Bayuk sales for the past six months was the largest in the history of the company.

FAIR LABOR ACT EFFECTIVE OCTOBER 24TH

(*Continued from Page 5*)

particularly on the question relative *to the interstate or intrastate character of your business.* The law aims to provide for the establishment of fair labor standards in employment in and affecting interstate commerce. This provision, as you can readily perceive, will cause a number of contentions. For instance: issues may arise regarding the scope or proportion of interstate versus intrastate commerce. Another problem might involve an interpretation or construction of the term 'affecting interstate commerce'; and many other perplexing problems.

"Won't you, therefore, please, in a spirit of cooperation and in order to provide your association with ample tools to represent and safeguard your interest in a most efficient and intelligent manner, fill out the questionnaire and return it in the self-addressed envelope as early as possible.

Cuban Tobacco Export Values Gain

Cuban Tobaccos Shipped in June 1938 Increased Over June 1937; Cigars Also Show Upward Trend For Period Reported

ACCORDING to the monthly report from the American Consulate General, Habana, made public by the Tobacco Division, Department of Commerce, exports of Cuban leaf tobacco and tobacco products in June, 1938, were valued at $1,383,777, as compared with $1,203,044 in the preceding month, and $1,316,941 in June, 1937.

Cuban tobacco shipments during June, 1938, in comparison with June, 1937, were made up as follows:

Cuban Tobacco Exports in June

	June 1937	
Item	*Quantity*	*Value*
Wrapper (pounds)	29,297	$43,667
Filler (pounds)	1,830,892	335,563
Stemmed leaf (pounds)	723,684	551,922
Scrap (pounds)	263,339	74,757
Total leaf (pounds)	2,847,212	1,005,909
Cigars (number)	2,872,413	305,462
Cigarettes (number)	2,265,988	5,119
Smoking tobacco (pounds)	919	451
Total value manufactured		311,032
Grand total value		1,316,941

	June 1938	
Item	*Quantity*	*Value*
Wrapper (pounds)	67,373	$149,729
Filler (pounds)	1,735,413	382,743
Stemmed leaf (pounds)	747,853	467,380
Scrap (pounds)	256,633	67,820
Total leaf (pounds)	2,807,272	1,067,672
Cigars (number)	3,243,950	309,194
Cigarettes (number)	1,816,660	4,301
Smoking tobacco (pounds)	4,546	2,610
Total value manufactured		316,105
Grand total value		1,383,777

Exports to the United States in June, 1938, consisted of 67,373 pounds of wrapper leaf, valued at $149,729; 172,461 pounds of filler, valued at $86,328; 726,343 pounds of stemmed leaf, valued at $454,814; 252,438 pounds of scrap, valued at $67,082; 130,655 cigars, valued at $15,080, and 101 pounds of smoking tobacco, valued at $50. The total value of these shipments was $773,083, as against $556,160 in May, 1938.

Spain continued to take important quantities of Cuban tobacco in June, namely, 1,002,604 pounds of filler, valued at $131,325, and 491,950 cigars, valued at $28,003. The second leading market, however, was the United Kingdom, to which exports of 1,719,855 cigars accounted for most of the $174,850 covering all exports to that country.

The tobacco export trade of Cuba during the first six months of 1938 was valued at $7,352,368, in comparison with $7,554,168 in the same months of 1937, $6,340,627 in the first half of 1936, and $6,466,095 in the 1935 period.

A comparison of Cuban tobacco exports during the January-June period of 1937 and 1938 is here given:

Cuban Tobacco Exports

	First Six Months 1937	
Item	*Quantity*	*Value*
Wrapper (pounds)	244,098	$366,645
Filler (pounds)	7,784,178	2,077,284
Stemmed leaf (pounds)	3,911,961	2,743,659
Scrap (pounds)	1,484,712	417,779
Total leaf (pounds)	13,424,949	5,605,367
Cigars (number)	18,041,847	1,910,660
Cigarettes (number)	10,624,306	25,641
Smoking tobacco (pounds)	24,301	12,500
Total value manufactured		1,948,801
Grand total value		7,554,168

	First Six Months 1938	
Item	*Quantity*	*Value*
Wrapper (pounds)	169,668	$337,269
Filler (pounds)	8,903,714	2,150,068
Stemmed leaf (pounds)	4,350,375	2,822,885
Scrap (pounds)	1,579,108	447,893
Total leaf (pounds)	15,002,865	5,758,115
Cigars (number)	15,781,248	1,564,563
Cigarettes (number)	9,792,076	24,269
Smoking tobacco (pounds)	9,647	5,421
Total value manufactured		1,594,253
Grand total value		7,352,368

The value of Cuban tobacco shipments to the United States during the first six months of 1938 amounted to $4,126,084, as against $4,216,935 in the corresponding months of 1937, and $2,833,942 during the same 1936 period. Details are as follows:

	First Six Months 1937	
Item	*Quantity*	*Value*
Wrapper (pounds)	239,982	$358,897
Filler (pounds)	1,512,583	631,783
Stemmed leaf (pounds)	3,826,919	2,702,402
Scrap (pounds)	1,426,023	390,628
Total leaf (pounds)	7,005,507	4,083,710
Cigars (number)	1,126,412	133,020
Cigarettes (number)	9,010	23
Smoking tobacco (pounds)	298	182
Total value manufactured		133,225
Grand total value		4,216,935

	First Six Months 1938	
Item	*Quantity*	*Value*
Wrapper (pounds)	167,389	$332,836
Filler (pounds)	1,063,283	520,437
Stemmed leaf (pounds)	4,237,666	2,754,172
Scrap (pounds)	1,531,260	423,907
Total leaf (pounds)	6,999,598	4,031,352
Cigars (number)	839,401	94,537
Cigarettes (number)	4,000	10
Smoking tobacco (pounds)	359	185
Total value manufactured		94,732
Grand total value		4,126,084

Tobacco Merchants' Association Registration Bureau, 341 Madison Ave. NEW YORK CITY

Schedule of Rates for Trade-Mark Services
Effective April 1, 1916

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Transfer,		2.00
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TRANSFERRED REGISTRATIONS

CAVALCADE:—26,973 (Trade-Mark Record). For cigars, cigarettes and tobacco. Registered June 18, 1902, by Geo. Schlegel, New York, N. Y. Transferred to Continental Cigar Corp., Scranton, Pa., and re-transferred to The Deisel-Wemmer-Gilbert Corp., Detroit, Mich., March 17, 1937.

CONTRIBUTOR:—(Tobacco Leaf). For cigars. Registered October 20, 1897, by Isidor Berg, New York, N. Y. Through mesne transfers acquired by Continental Cigar Corp., Scranton, Pa., and re-transferred to The Deisel-Wemmer-Gilbert Corp., Detroit, Mich., March 17, 1937.

RANCHO:—114,208 (U. S. Patent Office). For cigars. Registered December 5, 1916, by American Exchange Cigar Co., New York, N. Y. Through mesne transfers acquired by Continental Cigar Corp., Scranton, Pa., and re-transferred to The Deisel-Wemmer-Gilbert Corp., Detroit, Mich., March 17, 1937.

LUIS MARTINEZ:—46,607 (Tobacco Merchants Association of the U. S.). For cigars. Registered March 1, 1937, by Continental Cigar Corp., Scranton, Pa. Transferred to The Deisel-Wemmer-Gilbert Corp., Detroit, Mich., March 17, 1937.

LA FLOR DE LUIS MARTINEZ:—46,606 (Tobacco Merchants Association of the U. S.). For cigars. Registered March 1, 1937, by Continental Cigar Corp., Scranton, Pa. Transferred to The Deisel-Wemmer-Gilbert Corp., Detroit, Mich., March 17, 1937.

LITTLE ABBEY:—46,600 (Tobacco Merchants Association of the U. S.). For cigars. Registered March 1, 1937, by Continental Cigar Corp., Scranton, Pa. Transferred to The Deisel-Wemmer-Gilbert Corp., Detroit, Mich., March 17, 1937.

THE ABBEY:—20,207 (U. S. Tobacco Journal). For cigars. Registered June 30, 1898, by H. Bissmann, New York, N. Y. Through mesne transfers acquired by Continental Cigar Corp., Scranton, Pa., and re-transferred to The Deisel-Wemmer-Gilbert Cigar Corp., Detroit, Mich., March 17, 1937.

MASTER BLEND:—24,556 (Tobacco World). For cigars, cigarettes, cheroots, stogies, chewing and smoking tobacco. Registered June 20, 1912, by Geo. Schneider, St. Joe, Mich. Through mesne transfers acquired by the American Box Supply Co., Detroit, Mich., and re-transferred to Robert Emmet Cigar Co., Detroit, Mich., August 10, 1938.

SPIETZ CIGAR COMPANY'S MASTER BLEND:—42,440 (Trade-Mark Bureau of the Tobacco Merchants Association of the U. S.). For all tobacco products. Registered February 1, 1922, by Spietz Cigar Co., Detroit, Mich. Transferred to American Box Supply Co., Detroit, Mich., and re-transferred to Robert Emmet Cigar Co., Detroit, Mich., August 10, 1938.

CLASS A GAINS IN MONTH OF JUNE

(*Continued from page 8*)

the month was 27,060,826 pounds. This of course covers both smoking and chewing tobaccos. No production of manufactured tobaccos is recorded for either the Philippines or for Puerto Rico.

The total gain in cigar production in June covering the United States, the Philippines and Puerto Rico was but one-half of one per cent. The United States and the Philippines registered an increase of more than 6,000,000, but the decrease of more than 3,5000,000 in Puerto Rico cut the total to a little more than 2,500,000. Puerto Rico's poor showing appears to indicate that unless it gets production going in the near future, it will lose its cigar market entirely.

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Tel. Algonquin 4-9532 Established 1873

NIC. ALTHAUS CO

637-641 EAST 17 ST.
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OUR HIGH-GRADE NON-EVAPORATING
CIGAR FLAVORS
Make tobacco mellow and smooth in character and impart a most palatable flavor
FLAVORS FOR SMOKING and CHEWING TOBACCO
Write for List of Flavors for Special Brands
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FRIES & BRO., 92 Reade Street, New York

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PUBLISHER OF "TOBACCO LEAF" DIES

DUE TO the lateness of our publication we are able to comment on the death of John Bain, Jr., publisher of "The Tobacco Leaf," the outstanding weekly in the tobacco trade. He had been ill for some weeks and passed away on August 11th, at Woodstock, N. Y., where he had been spending a vacation. His health had not been good for some time.

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1938

TOBACCO WORLD

ESTABLISHED
1881

In This Issue

JOHN BAIN, JR., PUBLISHER OF "THE TOBACCO LEAF" IS DEAD

CIGAR WITHDRAWALS FOR JULY DECLINE ALMOST 56,000,000

CIGAR WITHDRAWALS FOR SEVEN MONTHS SHOW HEAVY DECREASE

INTERNAL REVENUE COLLECTIONS FROM ALL SOURCES FOR JULY CONTINUE TO SHOW DECREASE

THE TALK OF THE TRADE

Copyright 1938, Liggett & Myers Tobacco Co.

Hobart B. Hankins—*Editor*

Associate Editor—John Cleary

THE TOBACCO WORLD

Vol. 58 SEPTEMBER, 1938 No. 9

THE death of John Bain, Jr., publisher of "The Tobacco Leaf" and the dean of tobacco trade paper publishers, occurred at Woodstock, N. Y., on August 12th, where he had gone to regain his health after an extended illness. He was seventy-six years old, and was considered an expert judge of cigars, and was a prolific smoker of them.

John Bain, Jr., who took over the publication of the "Tobacco Leaf" after the death of his father, John Bain, Sr., made the weekly the most important in the tobacco field. It has always been ably and cleanly edited. This is true not only from a standpoint of editorial quality and news but from the fact that it has consistently over a period of many years carried the largest volume of tobacco trade advertising.

Mr. Bain's friends were legion and he attracted people to him by his quiet, kindly manner and his keen sense of humor. The tobacco trade paper field has lost its outstanding figure. To the members of his family we extend our condolences, and to the staff of "The Tobacco Leaf" we wish to convey our sympathy for the great loss which they have suffered.

▲

CARL S. SWISHER, vice-president and general manager of John H. Swisher & Son, Inc., Jacksonville, Florida, manufacturers of King Edward cigars, has been a fishing enthusiast for years but never caught a tarpon until this year, when his home town woke up to the fact that it has the best summer tarpon fishing to be found anywhere.

Mr. Swisher boated a 73-pound tarpon on his first trip after Silver Kings. He said he hadn't been so thrilled since several days ago when King Edwards topped the million a day sales mark in their sensational march toward national sales leadership.

For many years numbers of tarpon had been seen in Jacksonville waters during the summer months but somehow a tradition grew up that these summer fish did not bite. When an occasional tarpon was caught, everyone regarded it as an accident except a small group of smart anglers who found that they had a special and private tarpon ground of their own where they could fish undisturbed. They, naturally, kept quiet about the excellence of the tarpon fishing.

This year a committee of sportsmen decided to find out just how good the Jacksonville tarpon fishing is. The result was the realization that Jacksonville's summer tarpon fishing is second to none anywhere. Since early summer many big fish have been hooked every day and enthusiasm has mounted to such a white heat that charter boats are unable to accommodate all parties asking for charter.

The only people in Jacksonville who are unhappy about the "discovery" are the old-timers who have so long enjoyed this fine fishing in secret.

DECREASED purchasing power in the United States is reflected in the internal revenue report covering the tobacco industry for the month of July and showing that all classifications declined in production as compared with July, 1937. Even cigarettes fell off a billion and a half. Total cigar production for the month was more than four hundred and twenty million but this was nearly fifty-six million less than a year ago.

The little cigar industry was hardest hit with a decrease of 64 per cent. Class A cigars alone dropped back more than fifty million which accounts for most of the loss in the large cigar brackets. The drop in Class C amounted to almost four million more, while the total decrease in Class B, D and E was less than two million. In June not all classes of large cigars gained but there was a total gain of more than five million. The total output for that month was more than four hundred and seventy-seven million. Fifty-seven million more cigars were made in June than in July.

The drop in July production is probably due to the fact that the cigars for the vacation trade were made up in June so as to have substantial stocks in the hands of the jobbers and dealers for July.

▲

THE comparative statement of internal revenue collections for July shows a decrease in returns from all sources of approximately $25,000,000. There is a loss of $140,000 in the cigar division and a decrease of more than $4,000,000 in the cigarette branch. Snuff and tobacco also were off in their contributions. Playing card tax receipts receded by about $2500 while the returns from matches went down by more than $1,365,000.

This reflects the summer slump in the tobacco business among other taxed articles. Admission taxes which totalled more than $1,618,000 were only about $15,000 less than in July 1937. It would seem to indicate that with the "pump priming" that is going on, the Government can't get the money in circulation, and for one good reason and that is that the people haven't got it to spend.

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THE new labor agreement drawn up in Tampa reducing the work week in the cigar factories from forty-eight to forty-four hours means that if the trade wants its orders for cigars for the holiday trade filled in full, it had better get its orders in as soon as possible for it probably means a forty-hour week. That seems to be the trade comment, as the manufacturers say it is economically impossible to accomplish much, working only four hours on Saturdays.

The TOBACCO WORLD (established 1881) is published by Tobacco World Corporation; Hobart B. Hankins, President and Treasurer; John Cleary, Secretary. Office, 236 Chestnut Street, Philadelphia, Pa. Issued monthly. Subscriptions, available only to those engaged in the tobacco industry or trade, $1.00 a year, 15 cents a copy; foreign, $1.75 a year. Entered as second-class mail matter, December 22, 1909, at the Post Office, Philadelphia, Pa., under the Act of March 3, 1879.

July Cigar Production Declines

Cigars Decline 11¾% In U. S. During July While Philippine Product Gains 4½%. Cigarettes Down by a Billion

JULY cigar production for all classes decreased nearly 56,000,000 or 11¾ per cent., Class A showing a loss of more than 50,000,000. Cigars produced in the Philippine Islands moved up nearly 5 per cent. Cigars from Puerto Rico totalled slightly more than 76,500, but this was a decrease of more than 5,200,000 as compared with July, 1937. Cigarette withdrawals dropped almost 10 per cent. while smoking and chewing tobacco, and snuff also went into the minus column.

In Class A, the cigars produced in the United States amounted to somewhat more than 373,000,000 in July, 1938. In July, 1937, 423,500,000 were withdrawn. This classification being the lowest priced bracket should be the first to show recovery but apparently it has not yet turned the corner into Prosperity Street.

The Class B cigar division produced less than 4,000,000 cigars in July and registered a loss of more than 1,000,000. The percentage decline was nearly 23 per cent. Since the institution of the Class B bracket it has not over any period of time shown any indication that any great number of cigar smokers are interested in it.

The loss in Class C was less than 9 per cent. More than 40,000,000 were made in July, 1938, as against more than 44,000,000 in 1937. The decrease amounted to 3,838,000. Obviously if cigars selling at five cents and less are losing ground, it cannot be expected that higher priced cigars will make progress under present conditions.

Cigars in Class D totalled 2,700,000 which was a decrease of 610,000 over July, 1937. This was equivalent to a loss of more than 18 per cent.

Class E cigars also suffered a loss of more than 34 per cent. About 230,000 were made in the month of July but this represented a falling off of about 120,000.

In the cigarette division there was a heavy decrease, amounting to more than one billion five hundred thousand or almost 10 per cent. The production in the cigarette field for July, 1938, was 13,784,000,000 as compared with 15,290,000,000 in July of 1937.

Smoking and chewing tobacco was off nearly 2,000,000 pounds for a loss of slightly more than 7 per cent. Total production for July was 24,812,000 pounds as compared with 26,700,000 in July of 1937.

Snuff showed some recovery in July but failed by 3 per cent. to equal its July, 1937, output of 2,816,000 pounds.

Little cigars have apparently been very hard hit, the production for July, 1938, having decreased to 6,267,000 as compared with an output of 17,423,000 in July of 1937. This is decline of more than 11,000,000 or more than 64 per cent.

In the Philippine Islands the withdrawals in Class A were up more than 5 per cent. Total withdrawals

(Continued on Page 14)

July Withdrawals for Consumption

Product	July, 1938		Increase or Decrease Quantity	Per Cent.
Cigars:				
Class A—				
United States	373,298,785	—	50,252,310	11.86
Philippine Islands	16,301,500	+	809,625	5.23
Puerto Rico	43,450	—	4,970,160	....
Total	389,643,735	—	54,412,845	12.25
Class B—				
United States	3,893,833	—	1,158,764	22.93
Philippine Islands	1,403	—	56,224	....
Puerto Rico	7,050	—	202,050	....
Total	3,902,286	—	1,417,038	26.64
Class C—				
United States	40,372,128	—	3,838,030	8.68
Philippine Islands	4,876	—	14,730	....
Puerto Rico	26,050	—	33,600	....
Total	40,403,054	—	3,886,360	8.77
Class D—				
United States	2,715,826	—	610,195	18.35
Philippine Islands	10,787	—	7,189	....
Puerto Rico	.....		.....	....
Total	2,726,613	—	617,384	18.46
Class E—				
United States	229,800	—	119,595	34.23
Philippine Islands	500	+	475	....
Puerto Rico	.....		.....	....
Total	230,300	—	119,120	34.09
Total All Classes:				
United States	420,510,372	—	55,978,894	11.75
Philippine Islands	16,319,066	+	731,957	4.70
Puerto Rico	76,550	—	5,205,810	....
Grand Total	436,905,988	—	60,452,747	12.15
Little Cigars:				
United States	6,267,600	—	11,156,107	64.03
Philippine Islands	.....		.....	....
Puerto Rico	.....	—	290,000	....
Total	6,267,600	—	11,446,107	64.62
Cigarettes:				
United States	13,784,357,840	—	1,505,714,387	9.85
Philippine Islands	21,200	—	44,200	....
Puerto Rico	511,200	—	98,800	....
Total	13,784,890,240	—	1,505,857,387	9.85
Large Cigarettes:				
United States	142,200	—	19,500	12.06
Philippine Islands	.....		.....	....
Puerto Rico	20,000		.....	....
Total	162,200	—	19,500	10.73
Snuff (lbs.):				
All United States	2,731,960	—	84,496	3.00
Tobacco (Chewing and Smoking) lbs.:				
United States	24,812,074	—	1,890,276	7.08
Philippine Islands	.....	—	9	....
Total	24,812,074	—	1,890,285	7.08

In the World of Sport

ONE SMOKER TELLS ANOTHER:

"GET A LIFT WITH A CAMEL!"

"CAMELS FOR ME!" declares Jane Fauntz Manske, whose brilliant diving brought her national fame. She adds: "After a diving exhibition, when I feel exhausted, I get a welcome 'lift' in energy with a Camel!"

BASEBALL STAR Joe DiMaggio feels the same about Camels as so many millions of smokers do. Says Joe: "When I need a 'lift' in energy, Camel's the cigarette for me. Camels don't irritate my throat or get my nerves jumpy. Ball-players really go for Camels."

MARSHALL WAYNE, Olympic platform diving champion, speaks decidedly for Camels. He says, "Always after a strenuous competition I get a 'lift' with a Camel. And Camels sure help my digestion to hum along too."

RALPH GULDAHL, twice winner of U. S. Open golf crown, says: "One thing about Camels is the quick 'lift' in energy they give. Besides, I've smoked Camels 10 years and never known them to jangle my nerves. Camels are milder too—easy on my throat, a fact I appreciate in bad weather."

CAMELS "FOR DIGESTION'S SAKE," appeal to noted game-fish angler Erl Roman, as well as the "lift" in energy Camels give him. He sums up Camel's advantages with: "I get a lot more fun out of life, smoking Camels. I've smoked them for 18 years."

MRS. ETHEL ARNOLD, tennis star, comments on nerve control—"No wonder so many tennis champions prefer Camels. Camels don't upset the nerves and spoil timing. I'm convinced Camels are made from *costlier tobaccos!*"

Camels are a matchless blend of finer, MORE EXPENSIVE TOBACCOS —Turkish and Domestic

Copyright, 1938 R. J. Reynolds Tob. Co. Winston-Salem, N. C.

PEOPLE DO APPRECIATE THE **COSTLIER TOBACCOS** IN CAMELS

THEY ARE THE **LARGEST-SELLING** CIGARETTE IN AMERICA

Wage and Hour Administration Issues Statement for Industry

Committee Of Nine Suggested For Manufacturers Of Cigars; Fifteen Recommended As Membership Of Body Representing Smoking And Chewing

IN response to a telegram sent out by the Hon. Elmer F. Andrews, Administrator, Wage and Hour Division, a conference was held August 31, 1938, at the Administrator's office in Washington, D. C., as a result of which the following press release together with a list of names of the parties present at the conference was issued by the Administrator, to wit:

DEPARTMENT OF LABOR
Wage and Hour Division

TOBACCO — August 31, 1938.
Office of the Administrator

Mr. Elmer F. Andrews, Administrator, Wage and Hour Division, today issued the following statement:

"At an informal preliminary conference held today to discuss the need for and the scope of an industry committee for the tobacco industry, the persons interested in the establishment of such a committee gave information, advice and suggestions as to the definition of the industry, the size of the committee and the need for a certain technical sub-committee.

"It was generally agreed that, with the establishment of a technical sub-committee on the problem of stemming or stripping which committee could service the main committee, for the tobacco industry and a committee for the cigar industry, it would be more practical to establish two industry committees, one for cigars and another for cigarettes, smoking and chewing tobacco and snuff."

It was thought that a committee of nine persons—three representing employers, three representing labor, and three representing the public, with a public member acting as chairman as required by the act—would be adequate to make minimum wage recommendations for the cigar industry.

For the tobacco industry, including smoking and chewing tobacco, and snuff, it appeared that a committee of fifteen—five representing the public, five representing employers and five representing labor—might be required.

The tobacco committee, it was recommended, should include representatives of the small employer, the medium-sized employer and the large employer, manufacturers of plug tobacco and a representative of independent leaf dealers.

In the discussion of the division of the industry, it was pointed out by a chewing tobacco manufacturer that tobacco, other than cigars, might be broken into two general groups: (1) "smoking"; and (2) "chewing and spitting."

The Administrator stated that the suggestions as to the definition of the industry and the make-up of the committees and sub-committees would be put into study at once and a draft definition prepared. Proposals by members of the conference for employer members of the committees were requested.

The following committee met with the Wages and Hours Division of the Department of Labor on August 31st:

Mr. J. W. Abbott, United States Tobacco Co., auditor, 630 Fifth Ave., N. Y.; Mr. J. A. Bloch, Bloch Bros. Tobacco Co., president, Wheeling, W Va.; Mr. Sam Blumberg, Cigar Manufacturers Assn., general counsel, 200 Fifth Ave., N. Y.; Mr. M. A. Braswell, R. J. Reynolds Tobacco Co., associate counsel, Winston-Salem, N. C.; Mr. T. C. Breen, Cigar Manufacturers Assn., treasurer, 744 Broad St., Newark, N. J.; Mr. Harry C. Carr, Bayuk Cigar Co., vice-president and treasurer, Philadelphia, Pa.; Mr. Alvaro Garcia, Cigar Manufacturers Assn. of America, president, 1452 Broadway, N. Y.; Mr. Ralph Hetzel, C. I. O., secretary to chairman, 1106 Connecticut Ave.; Mr. Louis E. Hubbard, Dunnington Tobacco Co., Inc., vice-president, Farmville, Va.; Mr. J. W. Hyman, Cigar Manufacturers Assn., counsel, 200 Fifth Ave., N. Y.; Mr. John Levy, Cigar Manufacturers Assn. of Tampa, treasurer, Tampa, Florida; Mr. J. C. McCorkhill, J. H. Swisher, Inc., vice-president, Jacksonville, Florida; Mr. I. M. Ornburn, A. F. of L., secretary-treasurer, Union Label Trades Department, Washington, D. C.; Mr. W. T. Reed, Jr., Larus & Bro. Co., vice-president, Richmond, Va.; Mr. R. S. Stein, York County Tobacco Co., Red Lion, Pa.; Mr. Harry P. Taylor, Taylor Bros. Inc., president, Winston-Salem, N. C.

NEW COPY THEME FOR LA PALINA

FEATURING short and snappy copy accompanied by human interest illustrations of typical American men, the Congress Cigar Company, Newark, this week inaugurated a new campaign for La Palina cigars with weekly insertions of 264 lines scheduled to appear in 118 newspapers from now until Christmas.

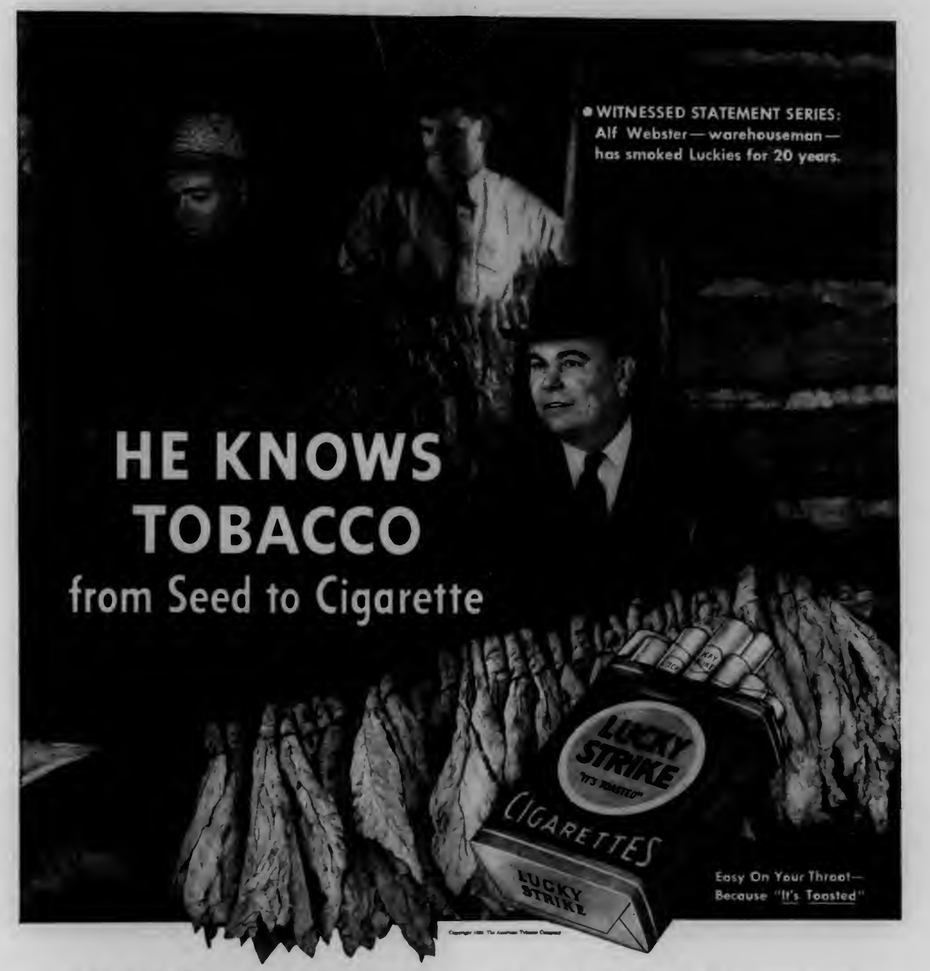
The copy theme, unusual in cigar advertising for its simplicity, was decided upon after a survey during which nearly 3000 cigar smokers were interviewed. Samples of all current cigar copy were presented to smokers by research investigators stationed in cigar stores in a number of major cities, and the most popular theme was adopted.

A typical La Palina insertion is headlined "Even if the home team loses, I'm happy with my La Palina." Aside from "5c Excellente Size," there is no other copy. The rest of the layout shows a typical cigar smoker, smiling broadly.

Marschalk & Pratt, New York, is the La Palina agency.

AGENCY FOR PALL MALL

American Cigarette and Cigar Company, New York, has appointed Young & Rubicam, New York, to handle advertising of Pall Mall cigarettes.



So ALF WEBSTER, Like Most of America's Independent Tobacco Experts, Smokes Luckies

Alf Webster is a typical "I. T. E."—Independent Tobacco Expert. He grew up on his father's tobacco farm, was a tobacco buyer for 10 years, has owned an auction warehouse for 9 years.

Mr. Webster sells to all tobacco companies . . . he sees who buys what tobacco. So it's important to you, Mr. and Mrs. Smoker, that Mr. Webster has smoked Luckies ever since 1917.

Among other independent tobacco experts...among skilled warehousemen, auctioneers and buyers . . . Luckies have twice as many exclusive smokers as have all other cigarettes combined.

Try Luckies for one week, and see for yourself. A light smoke—easy on your throat. The finest center-leaf tobacco. Then, "It's Toasted."

***Sworn Records Show That*- WITH MEN WHO KNOW TOBACCO BEST—IT'S LUCKIES 2 TO 1**

Samuel Stores, Inc. Given Clean Bill of Health by the F. T. C.

Free Goods Offer Found Sincere And No Evidence of Deception Being Practiced; General Operating Expense Charged

BONA fide offers of gifts to buyers fall definitely within the sphere of fair competition, the Federal Trade Commission ruled today in dismissing its own complaint against Samuel Stores, Inc., New York, operating a chain of retail stores in eastern and middle western states and the District of Columbia. Because of the important principle involved, and because of recent decisions which appeared to some to proscribe such offers per se, the commission went into the reasons underlying its exoneration of the chain.

The lawfulness of an offer of "free goods" in connection with a merchandising plan depends on the terms of the offer and the surrounding facts, the commission explained. If the offer is sincere, representing an actual division of normal profits with the buyer, it was held beyond criticism.

Deception, the commission warned, may be present in advertisements which are technically truthful. Giving a "free" offer undue prominence, and burying important conditions which are a corollary, may result in deception to the buyer, and hence outlaw the method, even if all of the salient facts are presented, it was pointed out.

In the FTC's eye the element of chance immediately disqualifies such an offer. But if terms on which free goods may be obtained are stated clearly and specifically, usual prices are maintained on the usual quality of merchandise and there is no question of monopoly, use of gifts or premiums does not constitute an unfair method of competition, the commission asserted.

Samuel Stores, Inc., advertised that with purchases of merchandise of $25 or more, the buyer would be given his choice of a dress, an all-weather sport coat or a pair of men's shoes. The commission charged that the cost of the gift was in fact included in the $25 to be paid by the purchaser, hence the "free goods" were in no sense a real gratuity.

Samuel Stores, Inc., replied that the free goods were actually provided to purchasers in conformity with the offer as advertised. After investigating carefully, the Federal Trade Commission not only agreed with the defense, but by implication, at least, praised the chain store for its high principles, which it found above reproach.

"Through various advertising media," said the FTC in its analysis of the case, "Samuel Stores, Inc., represented that for a limited time it would give certain specified merchandise free with the purchase of any other merchandise in a specified amount. The evidence showed that the cost of the articles designated as 'free' and which were given in connection with the purchase of other merchandise in a specified sum was charged to the company's advertising appropriation and became a part of the general operating overhead of the business.

"The advertising clearly and conspicuously stated the terms and conditions under which the 'free goods' could be obtained by customers. The free goods were actually given to all purchasers who made the required purchase in the specified amount, thereby fulfilling the conditions upon which the gift was predicated.

"The customers were in no way restricted or limited as to the articles of merchandise bought in making the purchase required to be eligible for the free goods. The prices of all merchandise sold during the time the offer was advertised were based on a standardized markup and were the same before and after the periods during which the special offer was in effect. The advertiser fulfilled the terms of its offer by actually furnishing to each customer making any purchase in a specified sum the specific article offered as free goods."

The commission said that the offer of free goods is recognized as a powerful psychological magnet to draw trade, and the advertiser expects to profit either through an immediate direct profit on some article which must be purchased, or indirectly through increased good will, likely to result in future patronage.

Where the advertiser recognizes his responsibilities and meets them by sacrificing, for a limited time, a part of his normal profit on his entire line, he may receive no immediate direct profit from the transaction, the commission pointed out. In fact, the merchandise required to be purchased must bear not only its own cost and its own share of the general operating overhead, but also the cost of the free goods and its share of the overhead.

"Under such circumstances," the commission said, "the free goods offer is hardly deceptive, for the purchaser actually does obtain the specified free goods at no additional cost over the ordinary and regular price of the merchandise required to be purchased. As far as the buyer is concerned, therefore, he actually receives the free goods without cost. In reality, the practice in such a case is a convenient and impelling method of calling attention of the public to price reductions in the goods which must be purchased."

This case can hardly be considered analogous with those in which the commission has ordered cessation of the "free" offer because it was not free, the analysis said. Many conditional free offers result in deception of the buyer. In some instances, the advertiser will increase the price of the article required to be purchased, offsetting in whole or part the cost of the "gift." In others, the merchant substitutes merchandise inferior to that ordinarily sold, thus recovering all or part of the cost of the "free goods."

"In cases of this kind," said the commission, "there is necessary deception of the purchaser, since the 'free goods' are in no sense free. The recent decision of the Supreme Court in the Standard Education Society case indicated no sympathy whatever for such practices. The court said:

(Continued on Page 10)

Richmond News Commentator Writes "The Story of Lucky Strike"

Roy C. Flannagan Describes Development Of The Cigarette From The Planting Of The Seed To Its Packaging

ROY C. FLANNAGAN, a commentator of the "Richmond News Leader," Richmond, Va., has taken a series of articles which he wrote for his publisher and put them into book form. It is called "The Story of Lucky Strike" and is a most interesting brochure. It starts with the planting of tobacco and takes you through the entire process of the handling of tobacco used in the manufacture of Lucky Strikes, and what happens to it on its way to be fashioned into a cigarette, as well as the methods used in producing the cigarette itself.

The story describes in fascinating fashion the development of tobacco, from the discovery of the plant in 1607, to the ramified ultra-modern manufacturing processes of Lucky Strike cigarettes today.

The book describes in the beginning how English gentlemen adventurers who colonized America in 1607 came in search of gold and found tobacco. The leaf of the tobacco soon yielded riches greater than anyone could have anticipated.

The development of the modern cigarette in the seventies, the book goes on, gave the tobacco business a mighty forward impulse. "For the first time," the author states, "the finest tobacco became available to the poor as well as to the rich. Tobacco of the better grades began to sell at prices farmers had not enjoyed since 1619. Again the staple became one of the richest southern crops, and today, with the growing demand for cigarettes, its economic importance is greater than ever."

An interesting chapter in the book is devoted to the curing of tobacco. "The earliest method employed in Virginia was to hang the cut plants along the rafters of the kitchen or in the smoke house. Tobacco of the dark-fired type still is prepared by this method in special barns wherein direct, smoky heat is applied. Another way is to suspend the leaves in well ventilated sheds exposed to the air. Burley and Maryland, two types in the Lucky Strike blend, are air-cured. Still another is to hang the tobacco in the sun. Turkish is dried in this fashion.

"Bright tobacco, however, the type of leaf whose cultivation we have described, is prepared for the market by that complicated process known as flue-curing.

"Specially constructed log barns eighteen to twenty-five feet square by twenty-five feet tall are built near the fields. On one side is a lean-to shed and in the side of the structure beneath this shed are two brick or stone 'kilns,' or fireplaces which extend into the barn. To these kilns, inside, are attached long sheet iron flues which pass through the barn and carry heat to every cranny of it when the fires are lighted. The flues serve as radiators just as do the long pipes on stoves in rural homes. No smoke can enter the barn, but virtually all of the heat from the kiln fires can be imprisoned within the tight building. Beneath the eaves are small windows called ventilators, and there is a square door.

"For days before the first tobacco is ripe for harvest, the farmer has worked part time at his barn. He has sealed up the chinks between the logs, checked the joints of his flues, overhauled the shingle roof, and repaired his kilns. Beside each of his barns he has stacked wigwam fashion a great pile of hardwood and pine poles for use as firewood. At the door are his tobacco sticks—riven pine rods as thick as his thumb and about five feet long.

"He is ready now to 'prime' his tobacco—to pull the first ripening leaves from each stalk in nature in an effort to repair the surgery of 'topping.'

"With the stalks waist high, the most anxious moments of the season are approaching. Fearfully the farmer watches the summer sky lest a hail storm flatten his crop. He reads his almanac, wondering if by the law of averages he will suffer a wet summer. Long rainy spells in August will harm the quality of his leaf more than a drought. Even light showers sometimes damage the plant. Droplets of water form tiny lenses through which the sun burns spots upon the precious leaves.

"Yet as the tobacco begins to ripen, a Virginia field offers a soul-satisfying sight. No other crop seems to draw so much rich, graceful beauty from the soil. Every leaf in the sturdy plants seems like a page from the book of health. Most crops fade somewhat from the sun of late summer or are cut up by many insects, but tobacco, watched so carefully, tended so constantly, stands almost unscathed, firm and lovely in the heat. Here and there are carefully selected plants which, untopped, are six feet tall and in flower. These are to supply the seed for next year's crop.

"Standing in his tobacco field, the farmer is a very happy man, yet his suspense is not over. The all important work of curing the leaf still lies ahead of him."

One of the chapters is devoted to a description of the modern cigarette machine. In four rooms of the Richmond factory, it is explained here, tobacco is converted into cigarettes at the incredible speed of 10,000,000 cigarettes per hour.

CLAIR SENTZ WITH H. H. SHEIP CO.

Clair Sentz, for many years associated with his father, B. S. Sentz, in the management of the Consumers Cigar Box Co., Red Lion, Pa., is now connected with the Henry H. Sheip Mfg. Co., Philadelphia, Pa., selling their specialty lines in cigar and cigarette humidors as well as a most attractive group of display frames and racks. The line is one of the most complete that we have seen in many years, and the manufacturer, jobber and retailer should be deeply interested in it.

There is an adage, "Merchandise well displayed is half sold." We believe that those who purchase items from this new line will be well repaid.

LATHAM HEADS AMERICAN C. & C. CO.

A REORGANIZATION has taken place with the American Cigarette & Cigar Company, New York, makers of the "Pall Mall" cigarette. A. H. Gregg, former president is now the chairman of the board of directors, and John R. Latham, who has been connected with the advertising department of the American Tobacco Company, has been made president to succeed Mr. Gregg. Mr. Latham was also an assistant to George W. Hill, Jr., vice-president of the American Tobacco Company.

Robert Barnes was elected vice-president in charge of cigarette sales. Before his connection with the American Tobacco Company a few months ago he held an executive position with the Consolidated Lithographing Company.

In the sales division A. Gordon Findlay, who has been in charge of the company's foreign cigar trade, has been elected vice-president in charge of cigar sales.

J. C. WINTER CO. IN "HOT WATER"

J. C. Winter & Co., of Red Lion, Pa., have been cited by the Federal Trade Commission for selling cigars under the brand name of "R. J. Allen's" as "hand made." According to FTC the label indicates that the cigars are made by hand, and that the cigars formerly sold for five cents, but have been reduced in price to two for five cents. FTC claims that these cigars were never intended to be sold for five cents, and that they never were sold for that price. In addition the complaint sets forth that the cigars are machine made, and not by hand. J. C. Winter & Co. have twenty days in which to answer the complaint.

SAMUEL STORES GET CLEAN HEALTH BILL

(*Continued From Page 8*)

" 'The practice of promising free books where no free books were intended to be given, and the practice of deceiving unwary purchasers into the false belief that looseleaf supplements alone sell for $69.50, when in reality both books and supplement regularly sell for $69.50 are contrary to decent business standards. To fail to prohibit such evil would be to elevate deception in business and to give to it the standing and dignity of truth.' "

Speaking for itself, the commission summarized its reasoning in these words:

"Whereas, as in this case, advertising offering the free goods, clearly and conspicuously states the terms and conditions under which the goods may be secured, the advertiser does not occupy a monopolistic or near-monopolistic position, the free goods are not distributed by lot or chance, and there is no deception through fictitious pricing or through substitution of inferior merchandise, or otherwise, the free goods offer does not constitute an unfair method of competition and the complaint is accordingly dismissed."

PUERTO RICO SECOND LARGEST BUYER OF AMERICAN-MADE CIGARETTES

PUERTO RICO remained the second largest buyer of American-made cigarettes during the fiscal year just closed, purchasing only 2.3 per cent. fewer cigarettes than in the record-breaking year, 1936-37, according to a statement by the Puerto Rican Trade Council, based on United States Department of Commerce figures.

"Sales to the island during the year totaled 759,600,000 cigarettes, as compared with 777,500,000 in the preceding year," the report states. "The value of the shipments, totalling $3,200,000, was 7 per cent. lower.

"The faster selling brands normally retail on the island at fourteen cents and fifteen cents per package and are available in even the smallest mountain towns. Demand is reported to be increasing steadily. It is believed that stocks in hands of dealers and distributors have been relatively heavy, ever since the five-week shipping strike early in 1938, when supplies were completely exhausted.

"Buying power in Puerto Rico held up well during the year, as a result of higher wages in the sugar and other leading industries, although the sugar quota was reduced and sales of tobacco, needlework and fruits declined," the Council states.

E. C. B. M. A. AT LANCASTER OCTOBER 8TH

THE fall meeting of the Eastern Cigar Box Manufacturers Association will be held on Saturday, October 8th, at Lancaster, Pa., and presumably at the Stevens House, which has been the scene of so many delightful meetings through many years.

The Eastern Cigar Box Manufacturers Association is one of the oldest in the cigar box industry, and has played a constructive part not only in the industry itself, but as well in the industry to which it supplies containers. The cigar container industry has a function to perform not only in keeping up with all new developments in cigar containers, but in keeping their customers advised of any new and advantageous products as well.

7% Drop in Cigars in Eleven Months

Heaviest Quantity Loss Is In Class A Amounting To Almost 180,000;000; Class C Declines More Than 35,000,000 Cigars

FOR the first seven months of the calendar year of 1938 cigar production covering all classes declined more than 7¼ per cent. All divisions show a decline with Class E leading it with a decrease approaching 30 per cent. Class A had the smallest loss amounting to more than 6½ per cent. The falling off in this bracket was almost 180,000,000 cigars for the seven months period.

Cigar withdrawals in the Philippine Islands reached a total of more than 104,770,000 cigars to register an increase of almost 10½ per cent.

Cigar production in Puerto Rico for the first seven months dropped to about 920,000 as compared with 22,440,000 in the same period in 1937.

Little cigars receded by almost 29 per cent., production in this calendar year period being 86,847,000 as against 122,234,601 over the same months of 1937.

Cigarette production in the first seven months of the year has held its own, the loss being only ¼ of 1 per cent. Production thus far this year was 93,629,954,142. In the number of cigarettes the falling off was 245,000,000.

Cigarette production in Puerto Rico was 2,474,880 the first seven months of 1938 compared with 2,550,600 in the first seven months of 1937. This was a decrease of less than 76,000 cigarettes. In the Philippine Islands the number of cigarettes produced totalled 236,000 for the 1938 period as compared with 555,700 in the same months of 1937.

Smoking and chewing tobaccos show a decline of 2,929,368 pounds, against an output of 175,149,613 pounds which is a drop for the period of only a little more than 1½ per cent.

Snuff production made a small gain the first seven months of this year with an output of 21,127,379 pounds as against 21,041,419 pounds in the corresponding period of 1937, the gain amounting to less than ½ of 1 per cent. The statistics are as follows:

Seven Months' Withdrawals for Consumption

Product	1st 7 Mos. Cal. Yr. 1938		Increase or Decrease Quantity	Per Cent.
Cigars:				
Class A—				
United States	2,505,319,650	—	179,982,230	6.70
Philippine Islands	104,493,265	+	9,997,070	10.58
Puerto Rico	526,550	—	20,803,510	....
Total	2,610,339,465	—	190,788,670	6.81
Class B—				
United States	27,471,783	—	1,666,858	5.72
Philippine Islands	24,050	—	118,084	....
Puerto Rico	50,150	—	658,650	....
Total	27,545,983	—	2,443,592	8.15
Class C—				
United States	247,194,428	—	35,128,792	12.44
Philippine Islands	152,757	+	33,913	....
Puerto Rico	342,200	—	60,000	....
Total	247,689,385	—	35,154,879	12.43
Class D—				
United States	17,712,956	—	2,728,636	13.35
Philippine Islands	97,553	—	26,174	....
Puerto Rico	700	+	700	....
Total	17,811,209	—	2,754,110	13.39
Class E—				
United States	1,469,330	—	616,719	29.56
Philippine Islands	2,477	—	3,568	....
Puerto Rico	.....		.....	....
Total	1,471,807	—	620,287	29.65
Total All Classes:				
United States	2,799,168,147	—	220,123,235	7.29
Philippine Islands	104,770,102	+	9,883,157	10.42
Puerto Rico	919,600	—	21,521,460	....
Grand Total	2,904,857,849	—	231,761,538	7.39
Little Cigars:				
United States	86,847,479	—	35,387,122	28.95
Philippine Islands	.....		.....	....
Puerto Rico	.....	—	1,000,000	....
Total	86,847,479	—	36,387,122	29.53
Cigarettes:				
United States	93,629,954,142	+	245,069,788	0.26
Philippine Islands	236,193	—	319,514	....
Puerto Rico	2,474,880	—	75,720	....
Total	93,632,665,215	+	244,674,554	0.26
Large Cigarettes:				
United States	1,399,270	—	151,024	9.74
Philippine Islands	161	—	2,811	....
Puerto Rico	142,850	—	57,150	28.58
Total	1,542,281	—	210,985	12.03
Snuff (lbs.):				
All United States	21,127,379	+	85,960	0.41
Tobacco (Chewing and Smoking) lbs.:				
United States	175,149,613	—	2,929,368	1.64
Philippine Islands	47	+	38	....
Total	175,149,660	—	2,929,330	1.64

***Manufactured Tobacco Produced by Classes**

(As Reported by the Bureau of Internal Revenue, Based on Manufacturers' Returns of Production)

Month of May

Product	1938		Increase or Decrease Quantity	Per Cent.
Plug	4,615,093	—	117,264	2.48
Twist	434,053	—	114,249	20.84
Fine-cut Chewing	394,228	—	20,158	4.86
Scrap Chewing	3,550,736	—	150,049	4.07
Smoking	16,771,863	+	1,589,610	10.47
Total	25,765,973	+	1,187,290	4.83

Five Months Ending May 31

Product	1938		Increase or Decrease Quantity	Per Cent.
Plug	22,109,774	—	2,505,980	10.18
Twist	2,099,908	—	711,341	25.30
Fine-cut Chewing	1,948,077	—	185,206	8.68
Scrap Chewing	16,674,342	—	1,872,647	10.10
Smoking	80,278,174	+	2,673,204	3.44
Total	123,110,275	—	2,601,970	2.07

*The production figures are in pounds, and are subject to revision until published in the annual report of the Commissioner of Internal Revenue.

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for real enjoyment

RESTAURANTS OF ALL NATIONS WILL BE AT NEW YORK WORLD'S FAIR

The bill of fare available at the New York World's Fair, 1939, will provide the visitors with a veritable gastronomic trip around the globe. A score of foreign nations intend including restaurants in their national pavilions. France, for instance, will offer to the gourmet a canard nantais a l'orange; Belgium is to specialize in Flemish and Walloon dishes, with delicacies cooked in fig leaves; Cuba will have arroz con pollo; Mexico, tamales, frijoles and baked pig; Rumania, a wide range of game; Russia, blinis and kasha; Brazil, colorful assemblies of tropical vegetables.

Specifications require a total restaurant seating capacity of 43,200 at the New York World's Fair 1939. There are to be at least eighty restaurants to meet this requirement. Each one of the thirty major fair buildings is to have its restaurant. The remaining fifty are to be allocated to experienced restauranteurs as concessions. In addition, a number of the participating foreign nations are to include restaurants in their individual pavilions.

BURNS AND ALLEN FOR CHESTERFIELD ON CBS BEGINNING SEPTEMBER 30TH

When George Burns and Gracie Allen start work for Chesterfield cigarettes on the Columbia Network, September 30th, they will be supported by Tony Martin, vocalist, and Ray Noble's orchestra. Paul Douglas will be the announcer for this Friday night series at 8:30 to 9. Chesterfield also sponsors Paul Whiteman in a weekly half-hour at the same time Wednesdays. Both programs are heard over ninety-seven CBS stations. Newell-Emmett is the agency.

FERNANDO ARGUELLES ELECTED HEAD OF CUBAN UNION OF MANUFACTURERS

AT the general assembly of the Union of Manufacturers of Cigars and Cigarettes of Cuba in July, Fernando Palicio Arguelles was unanimously elected president for the period 1938-1940, and Dr. Gonzalo R. Arellano secretary.

Other officers and directors are: First vice-president, Jose Lamadrid Piedra; second vice-president, Ramon Cifuentes Toriello; members, Francisco Solaun y Gonzales, Francisco Torres Gener, Rene Fernandez Rocha, Dr. Gonzalo R. Arellano, Oscar S. Hernandez, Alonso Menendez y Garcia, Donato Arguelles y Alvarez, Victor Perez y Perez, and Francisco Pego Pita.

Rene Fernandez Rocha was re-elected as treasurer of the institution.

Francisco Pego Pita was elected an honorary member of the board of directors, on account of the great services he has rendered to the institution for many years.

The Central Board of the National Tobacco Federation (an organization composed of laborers working in the Havana cigar industry) has just appointed Jose B. Cosio to act as their delegate before the National Tobacco Commission.

Mr. Cosio's appointment has been looked upon with pleasure by all engaged in the tobacco business in Cuba, due to his great knowledge of all the cigar industry's difficulties as well as his capabilities in facing problems with ability and skill.

The Union of Manufacturers have just appointed Messrs. Francisco Torres Gener and Alonso Menendez Garcia as acting delegates of the Institution before the "Comision de Corporaciones Economicas del Comercio Exterior" (Commission of Economical Forces for Studying Foreign Trade).

MODEL MARCHES ON!

UNITED STATES TOBACCO COMPANY

N. CAROLINA CIGARETTE PAPER PLANT

FOR years the world's leading producer of cigarettes, the State of North Carolina, with the completion of the $2,000,000 Ecusta Paper Corporation plant at Brevard in 1939, will furnish more of the "makings" for the industry.

An army of workers have converged on a wide plain pocketed in the up-rearing Toxaway mountains of Transylvania County, and here on some two hundred acres of land traversed by the Davidson River, a major operation is being performed upon the rural landscape. From all of this energy will come bobbins of cigarette paper which, when reduced to the size of the finished cigarette will be so fragile that the slightest puff of wind will blow it away.

The plant now under construction will, in many respects, mark the beginning of a new industry in the United States. Almost all of the high type cigarette paper used by the leading cigarette manufacturing companies in their national brands is at present imported.

It has been stated that the purpose of the new American plant in North Carolina will be to produce paper of this same high standard, with the added factor that it is expected to use American produced raw materials, so that the finished product will be an American product from beginning to end.

Experiments have been carried on for a number of years in employing such American raw material, flax produced in many localities in this country, in the manufacture of this high type of cigarette paper. The success of these experiments in producing pulp and paper from fibrous flax grown in this country, prompted the establishment of the Ecusta plant in North Carolina.

Associated in the Ecusta Paper Corporation are interests connected with Papeteries Rene Bollore of Odet and Cascadec, France, and Papeteries de Champagne of Troyes, France. Both of these companies are leaders in their field, and their products are used largely in this country.

Through this combination, the North Carolina plant has at its disposal not only all production knowledge gained over many years in the well established French mills, but in addition will be benefited by the experienced aid of French technicians.

Cigarette manufacturers in North Carolina, who produce annually about 66 per cent. of all cigarettes manufactured in the United States, will be the cigarette paper plant's largest consumers. Production is schedule to start in about eight months.

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SPECIFY SPRUCE

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Are Outstanding In
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Tobacco Merchants' Association Registration Bureau.

341 Madison Ave.
NEW YORK CITY

Schedule of Rates for Trade-Mark Services
Effective April 1, 1916

Registration,	(see Note A),	$5.00
Search,	(see Note B),	1.00
Transfer,		2.00
Duplicate Certificate,		2.00

Note A—An allowance of $2 will be made to members of the Tobacco Merchants' Association on each registration.

Note B—If a report on a search of a title necessitates the reporting of more than ten (10) titles, but less than twenty-one (21), an additional charge of One Dollar ($1.00) will be made. If it necessitates the reporting of more than twenty (20) titles, but less than thirty-one (31), an additional charge of Two Dollars ($2.00) will be made and so an additional charge of One Dollar ($1.00) will be made for every ten (10) additional titles necessarily reported.

NEW REGISTRATIONS

WILLOUGHBY TAYLOR:—46,688. For pipes. The Penn Tobacco Co., Wilkes-Barre, Pa., July 28, 1938.

BROADCASTER:—46,689. For pipes. The Penn Tobacco Co., Wilkes-Barre, Pa., July 28, 1938.

VOX POP:—46,690. For pipes. The Penn Tobacco Co., Wilkes-Barre, Pa., July 28, 1938.

PENBRIAR:—46,691. For pipes. The Penn Tobacco Co., Wilkes-Barre, Pa., July 28, 1938.

TRANSFERRED REGISTRATION

LA DOCILLA:—37,474 (United Registration Bureau for the Tobacco Industries. For cigars, cigarettes, cheroots and tobacco. Registered May 14, 1912, by American Litho. Co., New York, N. Y. Through mesne transfers acquired by Villazon & Co., Tampa, Fla., and re-transferred to R. H. Macy & Co., Inc., New York, N. Y., July 19, 1938.

JULY CIGAR PRODUCTION DECLINES

(*Continued from Page 8*)

in this class were more than 16,000,000 in July, a gain of 800,000 over July, 1937. In Class B, however, there was a loss and a heavy one. Only 1400 Class B cigars were withdrawn this July compared to more than 57,000 in July, 1937.

Class C cigars made in the Philippines in this past July amounted to only 4800, as compared with 19,000 in July of 1937. Class D cigars, however, were manufactured in the amount of almost 11,000 but this was 7000 less than in July, 1937. In Class E only 500 were made in the month as against 25 made in July, 1937.

Class A cigars made in Puerto Rico amounted to only 43,000 in July. July, 1937, there were more than 5,000,000 made in this classification. In Class B 7000 were manufactured while 200,000 were made last July. Twenty-six thousand were made in Class C but in July, 1937, 60,000 were produced. No cigars were made in Classes D or E in Puerto Rico. Cigarettes were manufactured to the amount of 511,000 as compared with 610,000 in July of 1937.

Comparative statistics are as follows:

TAMPA CIGAR SHOW WITH PAN-AMERICAN

The eighth renewal of the Tampa Cigar Manufacturers Exposition will open on January 31st and continue until February 18th. This year it will be held in conjunction with the Pan-American Exposition and Hernando De Sota celebration. Up to date more than forty concerns in the tobacco industry have reserved space in which to display their products. The committee in charge is headed by John Levy, of Gradiaz, Annis & Co., Louis Lopez, of Perfecto Garcia & Bro., and Karl Cuesta, of Cuesta, Rey & Co.

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Shirley Keery, an outstanding model, is touring the country by airplane on behalf of the White Owl cigar manufactured by the General Cigar Co., Inc. She has been calling on the trade everywhere and she has the proprietors and clerks all "jittery" when she makes her appearance. J. Walter Thompson Advertising Agency is sponsoring the journey—and it looks like an increasing call for White Owls.

OCTOBER 1938

TOBACCO WORLD

ESTABLISHED 1881

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In This Issue

AMERICAN TOBACCO COMPANY WILL ERECT $500,000 ADDITION TO PLANT AT DURHAM, N. C.

CIGARETTE PRICES IN NEW YORK CITY CONTINUE TO BE CUT TO THE DETRIMENT OF LEGIMITATE DEALERS

U. S. CIGAR PRODUCTION OFF IN AUGUST AS IS PHILIPPINES AND PORTO RICO

EIGHT MONTHS WITHDRAWALS IN U. S. SHOW CIGARS DOWN MORE THAN 5 PER CENT.

THE TALK OF THE TRADE

Copyright 1938, LIGGETT & MYERS TOBACCO CO.

HOBART B. HANKINS—*Editor*

Associate Editor—JOHN CLEARY

THE TOBACCO WORLD

Vol. 58 OCTOBER, 1938 No. 10

WE HAVE not yet seen, and probably never will see, any statistics that will anywhere near approximate the actual annual consumption of cigarettes by women. But it may be assumed that the figure will run into a tremendous volume. If matured women want to smoke, that is their prerogative, yet it hardly seems fair to high school children to permit cigarettes to be sold to them for their own use.

Only the other evening we were in the living room perusing our favorite newspaper when a girl just past fifteen years of age called to visit with one of our daughters. As soon as she had taken a seat, she calmly opened her handbag and produced a pack of cigarettes, and offered us one. She and the daughter both proceeded to light them up and before the evening was over consumed the entire pack. As we cleaned up the ash trays later on we observed, as we do everywhere, that the cigarettes were not two-thirds consumed. This, however, has no bearing on the point we wish to make.

From what we read, and what we have read, it does not appear to us that the use of tobacco by children, girls particularly, still in high school can physically be fitted to propagate in married life strong and sturdy offspring.

This is merely an opinion, but one which we believe members of the medical profession will sustain. We believe in smoking by women, but we do not believe in smoking by girls not yet out of high school. Many are constantly being dropped back a year because they are unable to pass the examinations necessary to graduate.

In a few months we hope to have some interesting figures on this subject. They won't hurt the cigarette business at all, but they may help the taxpayers in boroughs, townships, counties and States.

▲

IN discussing the matter of price-cutting, *Modern Merchant and Grocery World*, published in Philadelphia, makes comment using a certain brand of pipe tobacco as an example. The editorial goes on to say:

"Most cutters think you can't get the price too low; that the lower you get the more business you will attract. But there is really a lot of sense in the opinion, that after your cutting passes a certain point the consumers' edge is dulled.

"For instance, if the standard price of a certain pipe tobacco is $3 a pound and the manufacturer offers it to me for $2.50 I am keenly interested and will buy, if I like the blend. But if he goes on cutting and gets the price to $2 or $1.75 I begin to get suspicious."

THERE has been, and still is, a disturbing situation in England relative to the retail tobacconist, which does not appear to be much different from that of the retail tobacconist in the United States. *Tobacco*, published in London, England, comments editorially on it in its October issue.

The manufacturer and the tobacconist are "Between hell and high water," to quote an old phrase. And it seems very difficult to figure out a solution. There is an opportunity, however, to say something on each side.

The manufacturers of tobacco products are interested in finding new outlets for their products and thereby increasing their sales. Once their goods are in the hands of the distributor or jobber, they do not lose any sleep over the question of the eventual outlet for the goods.

On the other hand, the retail dealer—because of the fact that tobacco products can be purchased almost anywhere—has to look for new sources of revenue. The disappearance of the wooden Indian—his trademark, so to speak—made it necessary for him to take up any additional line that would bring revenue. And the consequences are that only a very few retailers of cigars and tobacco products can make a living today from this line exclusively. And they can't be blamed for taking on other lines such as confections, novelties, and many other numerous articles from which they can derive a profit.

Taxation has become so popular under the present administration that in almost any store selling cigars you will find a half dozen framed licenses hanging on the wall. The retail merchant seems to be far overtaxed by the municipality or borough or county, and by the State and Federal Government as well.

However, if the half a million or more people engaged in the retail sale of tobacco products want to keep on paying all these taxes, it is up to them. They probably have to in order to make a living.

There doesn't seem to be any reason why if the dispensers of intoxicating beverages are protected by license, the retail cigar dealer should not be protected in the same way. There doesn't seem to be any good reason why a retail cigar dealer should have to sell neckties, etc., to make a living, if the trade was properly organized, and the various governmental institutions made a real effort to not only protect them but to help them prosper.

The average cigar store doesn't want a reputation as a "joint" where bets are taken on the horses, or the "numbers" rackets, and other forms of gambling. There is a good living in a well-operated cigar store if the proprietor can get a chance to make it. If a genuine effort was made the manufacturers of tobacco products would find that in helping to create real cigar stores that business would not suffer.

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Cigars Decline More Than 5½%

First Eight Months Figures Show U. S. Cigar Production Off But Philippine Products Gain; Cigarettes Increase

DURING the first eight months of the calendar year all classes of cigars produced in the United States declined in withdrawals. The recession amounted to 5.63 per cent. for all classes. Class E was down nearly 28 per cent.; Class D nearly 13 per cent.; Class C decreased more than 11 per cent.; Class B lost a fraction more than 4 per cent.; Class A is down about 5 per cent.

Cigars produced in the Philippine Islands are up more than 7 per cent. with an increase of more than eight million cigars. Except for an increase of 32,000 in Class C, the only other class to make headway was Class A which gained 8,700,000 approximately.

Puerto Rico's production for all classes has decreased in the eight months period from 24,000,000 in 1937 to 1,000,000 thus far in the calendar of 1938. The big loss—in fact practically all of it—was in Class A, which declined 23,000,000.

Cigarettes produced in the United States in the period amounted to more than 109,500,000,000, which was a sales gain of more than 1,000,000,000.

In the cigar division in the United States Class A accounted for more than 2,900,000,000 in the first eight months but that, nevertheless, is a reduction of almost 154,000,000 as compared with the first eight months of 1937. On the other hand cigars from the Philippines in Class A forged ahead more than 8,500,000. Cigars in this class made in Puerto Rico amounted to only 600,000 compared with more than 23,000,000 in the same months of 1937.

Up to the first of September only 32,500,000 Class B cigars were made thus far in the calendar year, a decrease of 1,377,000. Class B cigars from the Philippines dropped from 164,500 last year to 28,000 this year. Puerto Rico made 685,000 last year but produced only 56,500 in the first eight months of this year. It is to be noted that this class has been a consistent loser for a long time although it did make a small gain in August of this year, but this has already been considered in the figures.

The Class C division with an output of 289,000,000 in the United States lagged behind last year by more than 36,000,000. On the other hand the Philippine product increased more than 32,000 for a total of 159,000. Puerta Rico's production of more than 400,000 was behind last year by 70,000.

20,500,000 Class D cigars were turned out in the United States which is 3,000,000 less than in the same period in 1937. The Philippine Islands manufactured 123,000, less by 72,674 than the first eight months of 1937. Puerta Rico made 1500 in the eight months.

(Continued on page 13)

Product	1st 8 Mos. Cal. Yr. 1938	Increase or Decrease Quantity	Per Cent.
Cigars:			
Class A—			
United States	2,933,129,535	— 153,977,660	4.99
Philippine Islands	124,050,770	+ 8,570,935	7.42
Puerto Rico	598,500	— 23,444,300	....
Total	3,057,778,805	— 168,851,025	5.23
Class B—			
United States	32,439,520	— 1,377,401	4.07
Philippine Islands	28,300	— 164,584	....
Puerto Rico	56,500	— 685,050	....
Total	32,524,320	— 2,227,035	6.41
Class C—			
United States	288,945,770	— 36,403,686	11.19
Philippine Islands	159,157	+ 32,737	....
Puerto Rico	406,700	— 70,200	....
Total	289,511,627	— 36,441,149	11.18
Class D—			
United States	20,521,249	— 3,001,252	12.76
Philippine Islands	123,053	— 72,674	37.13
Puerto Rico	1,500	+ 1,500	....
Total	20,645,802	— 3,072,426	12.95
Class E—			
United States	1,728,057	— 665,160	27.79
Philippine Islands	8,497	+ 2,452	....
Puerto Rico	.....	.....	....
Total	1,736,554	— 662,708	27.62
Total All Classes:			
United States	3,276,764,131	— 195,425,159	5.63
Philippine Islands	124,369,777	+ 8,368,866	7.21
Puerto Rico	1,063,200	— 24,198,050	....
Grand Total	3,402,197,108	— 211,254,343	5.85
Little Cigars:			
United States	96,974,379	— 40,182,222	29.30
Philippine Islands	.....	.....	....
Puerto Rico	.....	— 1,444,800	....
Total	96,974,379	— 41,627,022	30.03
Cigarettes:			
United States	109,521,541,119	+ 1,038,819,365	0.96
Philippine Islands	460,593	— 120,674	....
Puerto Rico	2,741,080	— 429,520	....
Total	109,524,742,792	+ 1,038,269,171	0.96
Large Cigarettes:			
United States	1,618,670	— 94,624	5.52
Philippine Islands	161	— 2,911	....
Puerto Rico	198,850	— 21,150	9.61
Total	1,817,681	— 118,685	6.13
Snuff (lbs.):			
All United States	24,093,827	+ 42,930	0.18
Tobacco (Chewing and Smoking) lbs.:			
United States	202,656,155	— 774,457	0.38
Philippine Islands	47	+ 38	....
Total	202,656,202	— 774,419	0.38

Six Months Ending June 30

Product	1938	Increase or Decrease Quantity	Per Cent.
Plug	27,146,274	— 2,721,977	9.11
Twist	2,560,119	— 841,847	24.75
Fine-cut Chewing	2,375,033	— 355,935	13.03
Scrap Chewing	20,816,236	— 1,634,636	7.28
Smoking	97,396,272	+ 2,951,148	3.12
Total	150,294,034	— 2,603,247	1.70

DON'T LET YOUR NERVES GET TIRED, UPSET!

Irish Setter

Believed to be a cross of English setter, spaniel and pointer. Standards call for solid red or rich chestnut. A gun dog—bold, hardy, gentle.

He's giving his nerves a rest...and so is she

THE DOG pictured above has a nervous system amazingly *similar* to yours, with this *difference:* It is the nature of the dog to rest when he needs rest. It is the nature of mankind to drive on... until nerves jerk and twitch... until you are cross and irritable... tired out *without knowing it.* No matter which of the common forms of tenseness you feel, try this: Ease up and enjoy a Camel. Camels are made from costlier tobaccos. They are so mild and comforting. Smokers find that "Let up—light up a Camel" puts more zest into life, and that Camel's costlier tobaccos soothe their nerves.

MILLIONS FIND

"Let up—light up a Camel" puts more joy into living

Terrell Jacobs, lion trainer, and "Tony" Concello, circus aerialist (*right*), both "Let up—light up a Camel." Says Jacobs: "I find Camels soothe my nerves." Miss Concello says: "When my nerves are tired, a Camel helps them to rest."

DID YOU KNOW:

—that one tablespoon of tobacco seed will sow 100 yds.? From the selection of the seed, right down to the day of harvest, Camel tobacco experts watch the development of the crop in each locality. Camel buyers know where the mild, choice, aromatic tobacco is. And they buy accordingly. *Camels are a matchless blend of finer,* MORE EXPENSIVE TOBACCOS *—Turkish and Domestic.*

Fred L. McDaniel, cowboy (*right*), says: "When I feel nervously upset, I let up and light up a soothing Camel. Camels are mild—I can smoke 'em steadily. They never tire my taste."

Smoke 6 packs of Camels and find out why they are the LARGEST-SELLING CIGARETTE in America

Copyright, 1938, R. J. Reynolds Tobacco Company, Winston-Salem, N. C.

LET UP—*LIGHT UP A CAMEL!*

Smokers find Camel's Costlier Tobaccos are SOOTHING TO THE NERVES

August Cigar Production Increases

The Principal Gain Was In Class A; Cigars From The Philippine Island Declined; Cigarettes Are Up Again

WHILE cigar withdrawals in August in the United States were 57,000,000 greater than in July of this year, they were also nearly 25,000,000 more than in August of 1937. Practically all of the gain was in Class A. There was a gain in Class B but less than 5,000,000 of them were made. Cigars made in the Philippine Islands dropped off 1,500,000. 143,000 cigars were made in Puerto Rico in this August compared with 2,676,000 in August of 1937.

In Class A 427,800,000 were made in August which was an increase of more than 26,000,000. There are very good Class A cigars being manufactured today and the appreciation of the smoker is evidenced by the withdrawal figures. A certain cigar in this classification made in Philadelphia was recently reported by a jobber that the demand in his territory in New Jersey was so great that the manufacturer was now eight weeks behind in filling orders.

The Class B division is up by more than 6 per cent. but there were less than 5,000,000 manufactured in the United States, and it is more or less of a mystery to us where and how they are sold. With the good five-cent cigars and 3 for 25 cents, and the 10-cent cigars now being marketed, the cost to the manufacturer from the bookkeeping and selling end must absorb most of the profit, to say nothing of the Internal Revenue Bureau's labors over such a small revenue producing item.

When we come to Class C we find that classification in the "red," so to speak, as compared with August of last year. This division went down more than 1,274,000 or about 3 per cent. The Class C smokers must be jumping into Class A consumers, and it is not to be wondered at under the present administration of national affairs.

Class D went down nearly 9 per cent. The production was less than 3,000,000 and the decrease was more than 272,000. It merely emphasizes the pocketbook shrinkage of this class of smokers.

Class E is off nearly 16 per cent. in Auguet. Less than 259,000 were made in the month. Smokers accustomed to cigars in this price bracket have apparently also felt the pinch of the multitude of taxes with which they are harassed and are also buying cigars in the lower brackets.

Little cigars were manufactured in August in the amount of 10,127,000, a decrease over August of 1937 of approximately 4,800,000, in percentage of decrease of more than 32 per cent.

There were 15,891,586,977 cigarettes withdrawn during August which was an increase of almost 800,000,000. This is just another sign of the times and the industry will probably have a record-breaking year. All of this will please the municipal, State and Federal Governments who reap such handsome returns from the sale of cigarettes. We don't know how the Federal Government could get along without them.

(Continued on Page 10)

	August, 1938		Increase or Decrease Quantity	Per Cent.
Cigars:				
Class A—				
United States	427,809,885	+	26,004,570	6.47
Philippine Islands	19,557,505	—	1,426,135	6.80
Puerto Rico	71,950	—	2,640,790	....
Total	447,439,340	+	21,937,645	5.16
Class B—				
United States	4,967,737	+	289,457	6.19
Philippine Islands	4,250	—	46,500	....
Puerto Rico	6,350	—	26,400	....
Total	4,978,337	+	216,557	4.55
Class C—				
United States	41,751,342	—	1,274,894	2.96
Philippine Islands	9,400	—	1,176	....
Puerto Rico	64,500	—	10,200	....
Total	41,822,242	—	1,286,270	2.98
Class D—				
United States	2,808,293	—	272,616	8.85
Philippine Islands	25,500	—	46,500	....
Puerto Rico	800	+	800	....
Total	2,834,593	—	318,316	10.10
Class E—				
United States	258,727	—	48,441	15.77
Philippine Islands	6,020	+	6,020	....
Puerto Rico	.....		.....	....
Total	264,747	—	42,421	13.81

	August, 1938		Increase or Decrease Quantity	Per Cent.
Total All Classes:				
United States	477,595,984	+	24,698,076	5.45
Philippine Islands	19,599,675	—	1,514,291	7.17
Puerto Rico	143,600	—	2,676,590	....
Grand Total	497,339,259	+	20,507,195	4.30
Little Cigars:				
United States	10,126,900	—	4,795,100	32.13
Philippine Islands	.....		.....	....
Puerto Rico	.....	—	444,800	....
Total	10,126,900	—	5,239,900	34.16
Cigarettes:				
United States	15,891,586,977	+	793,749,577	5.26
Philippine Islands	224,400	+	198,840	....
Puerto Rico	266,200	—	353,800	....
Total	15,892,077,577	+	793,594,617	5.26
Large Cigarettes:				
United States	219,400	+	56,400	34.60
Philippine Islands	.....	—	100	....
Puerto Rico	56,000	+	36,000	....
Total	275,400	+	92,300	50.41
Snuff (lbs.):				
All United States	2,966,448	—	43,030	1.43
Tobacco (Chewing and Smoking) lbs.:				
United States	27,506,542	+	2,154,911	8.50
Philippine Islands	.....		.....	....
Total	27,506,542	+	2,154,911	8.50

Cigars are the most pleasurable and economical form of smoking.

BAYUK BULLETIN

Devoted to the best interests of the men who sell cigars.

First Issued 1929 — OCTOBER, 1938 — *Prepared twice a month*

PHULOFAX

(The Retailer's Friend)

SAYS

In the entire history of merchandising, no permanent advantage was ever gained when the buyer got the short end of the stick and the seller the long end.

—o—

Insulting a man's intelligence is about the highest form of affrontery.

—o—

Dodging a minor issue which should be faced today can easily develop into a major problem tomorrow.

—o—

Now, with the above "deep" stuff out of his system, Phil wants his readers to know that the season is still on to sell Cigars by the Box!

—o—

This particular salesman to whom Phil was talking always referred to his trade as "My Customers" and he said "My Customers" in such a protective, sentimental tone of voice that one could have thought he meant his children — and yet isn't that the feeling we should have towards "My Customers?"

—o—

Here's an extract from an interesting letter: "Trip before last to a certain dealer, he inferred from something I had said that what I was selling possessed a feature which as a matter of fact it does not have . . . I sensed that I could have sold it to him if I did not correct his false impression. Should I tell him and lose the order or keep my mouth shut and get the order? Well, anyhow, I corrected him and didn't land the order. Yesterday, I called on this same dealer . . . he gave me the largest order I've ever booked. I was wondering whether being on the level with him on previous trip had anything to do with it . . . as I was leaving him, he said 'So long, Square Guy, I'll see you next week'."

The moral is obvious . . . if not read the first paragraph of this column.

—o—

And this from a jobber—"Whenever one of my salesmen goes away on a vacation, I find out where he is going to be and then send a wire, —'Hope you are enjoying yourself. Best regards'. This year when I took a week off I got a somewhat similar wire from each one of my salesmen and, Phil, it did make me feel good."

Like begets like . . . kind thoughtfulness begets kind thoughtfulness.

—o—

Lest we forget . . . Sell Five Packs.

Phil M. Phulofax* D. B. I.

* Associated with BAYUK CIGARS INC., Philadelphia — Makers of fine cigars since 1897.

Advertisement

"SALES-DOGGLING"

or How Not to Sell—No. 28

This time we find Otto Noebetter expounding his views on a very interesting subject to Will Getahead, one of his fellow salesmen. Will also edges in a word or so.

WILL: Say, Otto, did you see where Charlie Thomson got to be promoted to General Sales Manager?

OTTO: Yeah, I did—the lucky stiff!

WILL: What do you mean "lucky stiff"? Don't you think Mr. Thomson deserved the promotion?

OTTO: Oh, I guess so but I still think he's a lucky guy.

WILL: What you are trying to say is that he got promoted because he was lucky . . . in other words Luck was the big factor in his going up the business ladder.

OTTO: Sure—he was just fortunate enough to get the breaks.

WILL: Let me ask you a question or so, Otto. Did Mr. Thomson know his stuff?

OTTO: I'll say he did, but anyone could know as much about anything if they studied as much as he did.

WILL: Okay, Otto. Here's another question, — did he work hard?

OTTO: I'll have to hand it to Charlie that he was a tough plugger . . . he was always on the job.

WILL: You must know him pretty well . . . I see you call him "Charlie".

OTTO: Cripes, I knew him when he was a missionary salesman and covered territory with him lots of times . . . man, no 10 to 4 with that fellow . . . he was an 8 to 6 gazabo . . . I'll grant he was a good fellow but not the joy of the party . . . I wouldn't say he was a bookworm but I've often seen him reading the damdest books on how to do this or an analysis of that, when the damphool could have joined the card game on the floor below . . . why, he was crazy enough one time to get his teeth fixed during vacation when he could have got a day or so off while he was working.

WILL: In other words, he made a great many personal sacrifices to get ahead.

OTTO: I don't get you on that word "sacrifices" but anyhow he's General Sales Manager now —but at that he often told me that some day he would be.

WILL: Did he say he "wished to be" or "was going to be General Sales Manager?"

OTTO: He didn't say he wished to be or wanted to be—he said he was GOING to be! After all, I'd like to be a General Sales Manager myself.

WILL: Would you really, Otto? Would you do what Mr. Thomson has done to be a General Sales Manager?

OTTO: What's the use? He had more chances than I have.

WILL: Chances hell! You make me tired, Otto. I didn't tell you before but I know Mr. Thomson also and I know you, too, and you've had just as many "chances" as he ever had . . . all of us have "chances", but it's men like Mr. Thomson who have the guts to cash in on the chances . . . he had the human temptations to dilly-dally on his job just like you and me but he made a goal for himself and he forced himself to stay on the path to Rightful Reward and didn't detour up the path of Petty Pleasures . . . sure he got the breaks but he made the breaks himself . . . he didn't jump from missionary man to General Sales Manager but he got there just the same — and how? I'll tell you. He always studied the next job above him until he knew it as well as the job he had and then when the job above him was open, he was all primed and cocked to shoot into the Door of Advancement, only to study once again the job that was still higher up. He figured that you can get anything you want IF you want it BADLY enough. The trouble with some of us is that we want something better but we are not willing to pay the price for it . . . we look around the corner if we see a little extra work coming towards us . . . we duck responsibility because it'll interfere with some of our play plans . . . we want Personal Success but we don't want Personal Sacrifice. Mr. Thomson lucky? Sure, he was — lucky in knowing what he wanted and lucky in *knowing* what he'd have to pay for what he wanted. He paid—he got! Luck be damned!! By the way, I'm going to wire Mr. Thomson on his new job . . . want me to say anything for you, Otto?

OTTO: Yeah, tell him I wish him more luck!

Phillies
(BAYUK PHILADELPHIA PERFECTO)
Havana Ribbon
Mapacuba
Charles Thomson
Prince Hamlet
BAYUK BRANDS BUILD BUSINESS

Packing Houses in Porto Rico Protest Wages and Hours Law

Threat of Packing Houses To Shut Down Will Leave More Than Fifteen Thousand Tobacco Strippers Without Employment

IN ANTICIPATION OF THE Wages and Hours Act which goes into effect in Puerto Rico on October 24th, the tobacco packing houses have shut down with a result that thousands of tobacco strippers are without employment. In addition the tobacco planting for 1939 has been heavily curtailed. "The Tobacco Leaf" of New York has printed the following illuminating article on the subject:

American factories using Puerto Rican tobacco have been deeply interested in despatches arriving from that island this week to the effect that, in anticipation of the wages and hour act which goes into effect October 24, packing houses on the island are shutting down with thirty to forty per cent. of the 1938 crop unstripped, and that due to the low prices realized by the farmers for their 1938 crop, which contained much low grade tobacco, the acreage of the next crop has been curtailed from 42,000 acres to 20,000 acres.

Nine thousand strippers had already been thrown out of work last week by reason of the stripping plant's shut down, and 6000 more are expected to lose their jobs at the end of this week. The following despatch from San Juan, received in this city last Wednesday, gives a graphic account of the situation:

"Nine thousand tobacco strippers have ceased work this week in anticipation of the application of the Wage-Hour Law and another 6000 will have done so by the end of the week, it was revealed today (October 11) when no fewer than ten town Mayors cabled appeals to Elmer F. Andrews, Administrator of the Fair Labor Standards Act, and Secretary of the Interior Harold L. Ickes that with tobacco payrolls ceasing those towns were without sustaining payrolls.

"Approximately forty per cent. of the last tobacco crop, sufficient to provide three months' employment, remains unstripped, all for American cigars, mostly five-cent ones. Among the stripping plants shut down is a co-operative closed because it was uncertain whether tobacco stripping was agricultural and therefore exempt from the law.

"As far as local tobacco men have been able to learn, Mr. Andrews thus far has not answered a series of questions asked by Governor Blanton Winship, now in Washington, as to whether the law applied to tobacco processing in preparation for manufacture."

The situation above revealed was disclosed to the trade in an article appearing in *The Tobacco Leaf* several weeks ago. There are approximately 25,000 workers engaged in stripping tobacco in Puerto Rico, and there are several thousand other warehouse employees whose work is associated with that of stripping, who will be thrown out of work when the stripping plants have all closed, which they are expected to do by October 24. The average stripper makes $1 per day. Under the wages and hours law, the lowest wages will be $2 per day. Packers assert that to double their stripping cost would make their tobacco unsalable, as their customers are mainly manufacturers of five-cent cigars and cannot pay more for their tobacco than they are now doing.

The question has been raised as to whether the work of stripping is an agricultural matter or an industrial operation. The wages and hours act relates only to industrial employment and not to agricultural affairs. Chairman Andrews, of the Wages and Hours administration, has been appealed to for a decision upon this point. In view of the fact that it was announced that he intended appointing a stripping committee to assist in administering the act, it may be taken for granted that stripping will be considered an industrial operation.

While the difficulties arising from the wages and hour increase in stripping costs had something to do with the curtailment of the 1939 crop, which will be planted next month, the small returns the 1938 crop brought to the farmers was more largely responsible. About thirty per cent. of the 1938 crop was low grade tobacco and brought very little money. The good tobacco of the crop cost the packers just as much as in the previous crop, but the farmer was unable to add to the price of his good tobacco the loss brought from his low-grade, with the result that his returns were less than the cost of producing the crop. The greater part of the Puerto Rican crop is grown under what is known as the "refaction" system, whereby a farmer borrows money to grow the crop, paying his debtor when the crop is sold. Many farmers were unable to repay these loans; the parties from whom they had borrowed were unwilling to advance more money until the 1938 crop loans had been paid, and the result is that the 1939 crop will be grown almost entirely by those farmers who are able to finance their own operations.

The 1938 crop contained in the neighborhood of 400,000 quintals of tobacco. The 1939 crop is not expected to contain more than 120,000 quintals. Information from the island is to the effect that with acreage already cut from 42,000 to 30,000 acres for Federal benefit payments, planters have agreed on more drastic reductions in the hope of raising the prices of the next crops.

Present estimates indicate that not more than 20,000 acres will be planted, the smallest acreage in a quarter of a century, with most growers holding to the minimum.

With more unemployment reported than during the depression years, chiefly because of reduced sugar quotas, preventing replanting, Labor Commissioner Prudencio Rivera Martinez has been called to Washington for a conference with Secretary of Labor Frances Perkins and others to discuss minimum wages for women as well as enforcement of the Wage-Hour Law.

PIPE MAJOR TOBACCO NOW UNDER NEW YORK STATE FAIR TRADE ACT

THE Brown & Williamson Tobacco Corporation authorized placing Pipe Major, its newest product, under the Fair Trade Law in New York State. The protected price schedule establishes the minimum retail price of the 1⅝-oz. size pocket tin at 15c, the 8-oz. package at 65¢ and the 16-oz. size at $1.25. These minimum retail prices may include any local sales tax or taxes.

Pipe Major is one of the first high grade pipe mixtures to be offered the consumer at prices comparable with those prices usually charged for plug cut tobaccos. The mixture is pleasingly aromatic, but all natural tobacco leaf—no flavoring ingredients are used in the blend.

When commenting on the brand, one dealer said: "You can use your best pipe to try Pipe Major. It's all tobacco flavor."

The fair trade contracts were signed by Simon Weinstock, vice-president of the Metropolitan Tobacco Co. of New York acting for Brown & Williamson and Wm. A. Hollingsworth and Eric Calamia acting for the retailers.

SMOKES DREAMS ON THE AIR AGAIN

"Smokes Dreams," a radio program sponsored by H. Fendrich, of Evansville, Indiana, manufacturers of the Charles Denby, La Fendrich and Casa Nova brands of cigars is now back on the air using the NBC Blue network. It is heard on Sundays from 3.00 to 3.15 P. M. E. S. T. It is just in time to catch "Poppa" after he has shaved and had his bath and started to read the sports section of his favorite paper.

DISSOLUTION OF PACT BETWEEN THE PHILIPPINES AND U. S. IS AT HAND

THE time for the dissolution of the pact between the Government of the Philippine Islands and the Government of the United States is drawing nearer, the Miller-Tydings Act having made this definite. It is a sorry situation for a country which has flourished under wise rule by United States Administration. It has enjoyed freedom of trade under quasi United States dominion, although a free people. So to speak what this country has sought to do was to "put them on their feet".

Under United States supervision, their exports have been greatly increased and new markets found for their many desirable products. This work has been done by the United States Government primarily. From an almost primitive people they have been able to enjoy almost every advantage of higher civilization. But the fact remains that without the protectorate of the United States we have grave concern for the nation's future.

Greedy eyes for many years have been cast upon the Philippine Islands, and if now left to their own destiny in this turbulent world, who can predict the fate of the Philippine people?

WALTER A. WARCH WITH P. LORILLARD COMPANY DIES IN AMITYVILLE, L. I.

The P. Lorillard Company announces with regret the death of Walter A. Warch, associated with P. Lorillard Company for more than thirty years. He passed away at the General Hospital in Amityville, L. I., from a complication of diseases. He was ill only a short time.

Mr. Warch entered the tobacco business with the old American Tobacco Company in 1907 and transferred over to the Lorillard Company at the time of the dissolution in 1912, remaining with them in various capacities in the sales end of the business until his passing, with the exception of a couple of years.

The tobacco trade in general and his associates in particular will miss his dynamic but cheery character.

AUGUST CIGAR WITHDRAWALS

(*Continued from Page 6*)

But so long as the cigarette-smoking public wants them in ever-increasing quantities why worry about the taxes?

More than 10,000,000 little cigars were made which was a decrease of 4,000,800 or about 32 per cent. Snuff dropped off more than 43,000 pounds. Smoking and chewing tobaccos were manufactured to the extent of 27,500,000 pounds which was an increase of more than 2,000,000 pounds.

Cigars from the Philippine Islands dropped more than 1,500,000 or 7.17 per cent. The big loss was in the Class A division. All classes, however, failed to equal last year's record for August.

Only 143,000 cigars were made in Puerto Rico compared with almost 2,700,000 a year ago. Of these 72,000 were made in Class A.

Due to increased demand Classes A and B made in the United States, show a gain but all other classes failed to equal their output of August, 1937. However, these two classifications did put the United States cigar production in the plus column.

NATIONAL ASSOCIATION OF RETAIL DRUGGISTS APPROVE PATMAN BILL

AT THEIR recent convention in Chicago the National Association of Retail Druggists endorsed the proposed Federal law to put a tax on interstate chain store systems. The bill under consideration is the one known as the Patman Chain Store Bill, fathered by Representative Wright Patman of Texas. Our contemporary, "The Tobacco Record," comments and quotes as follows:

The National Association of Retail Druggists went on record at their Convention in Chicago last week, endorsing the proposed Federal tax on interstate chain store systems and called on the membership to cooperate in the passage of the legislation. This measure is the Patman chain store bill, which will be brought before Congress at its next session.

Association members were urged by Representative Wright Patman of Texas and by John W. Dargavel, secretary of the association, to throw the full weight of their support behind the proposed national tax on interstate chain-store systems.

Mr. Patman, author of the bill which is to be reintroduced at the coming session of Congress, delivered a vitriolic attack on "the Hartford Brothers" and other chain-store opponents of the measure at the druggists convention.

"Interstate chains," he said, "take their profits from the local community to Wall Street. My bill will not affect local chains conducted by local people, where all net profits are kept at home.

"For the Hartford Brothers to state, or even to infer, that my bill will ruin the entire chain-store system, after my repeated statements that only interstate chains will be affected, is to inject the same questionable tactics in this fight that they use in the management of their 16,000 consumer stores, whereas my bill will curb such absentee owners from greedy and unfair competition."

Mr. Dargavel's more temperate exhortation came in his report on the work of the association during the last year and contained an admission that opposition to the bill had gained ground considerably.

"I urge the members of the N. A. R. D.," he said, "to give the Chain Store Tax Bill their complete support, and I trust this convention will pass a resolution making it our number one legislative objective, because I believe we are on the right side of the question."

The fight, Mr. Dargavel said, was likely to be a long one.

"I do not like to admit it," he continued, "but the chain emissaries have been successful in some instances in discouraging support of the Chain Store Tax Bill. Nothing they could do would help to promote their cause any more than to instill the idea into the minds of the independent retailers of the country that they are licked before they start.

"If we go into any fight with that frame of mind, we are bound to be unsuccessful.

"I say to you that such is not the case. We are not planning to fight for a lost cause. The bill's author has stated that if he receives the support he did during the fight on the Robinson-Patman bill, this legislation can be passed."

One of the first tasks of the new research bureau, he said, will be to make a survey of the effects of "fair trade" laws on retail prices. Questionnaires will be sent first to retail druggists in the Northwest and later to all druggists, asking for a series of price comparisons. Another survey will cover changing types of drug store business and the effect of competition from the retailer and manufacturer viewpoint.

TOBACCO INDUSTRY PROGRAMS ON NBC

American Cigarette & Cigar Company for Pall Mall Cigarettes, NBC-Red Network of 52 stations. Eddie Duchin and his orchestra. Mondays, 9:30-10:00 P. M., E. S. T.

American Tobacco Company for Lucky Strikes, beginning October 5. NBC-Red Network of 86 stations. Kay Kyser's Musical Klass and Dance. Wednesdays, 10:00-11:00 P. M., E. S. T.

Brown & Williamson Tobacco Company for Raleigh and Kool Cigarettes. NBC-Red Network of 52 stations. Tommy Dorsey and his orchestra. Wednesdays, 8:30-9:00 P. M., E. S. T.

H. Fendrich, Inc., for Charles Denby and La Fendrich Cigars, beginning October 2. NBC-Blue Network of 21 stations. Smoke Dreams (musical program). Sundays, 3:00-3:15 P. M., E. S. T.

Liggett & Myers Tobacco Company for Chesterfields, beginning September 22. NBC-Chesterfield Network of 72 stations. Eddie Dooley's Last Minute Football News. Thursdays and Saturdays, 6:30-6:45 P. M., E. S. T.

RED FOLEY ON THE AIR FOR AVALON

AVALON TIME, with Red Foley, a new Saturday night half-hour musical program over a coast-to-coast NBC-Red Network, of 58 stations, has been launched under the sponsorship of the Brown & Williamson Corporation, Louisville, Ky., on behalf of Avalon cigarettes.

The new program, headlining prominent stars of the entertainment world as guest performers, in addition to a big cast of regular entertainers, originates in the studios of WLW, Cincinnati, and is heard at 7 P. M., E. S. T., 6 P. M., C. S. T., with a repeat broadcast for west-coast listeners at 9:30 P. M., P. S. T.

In addition to Red Foley, noted singer of American songs the all-star cast includes Kitty O'Neill, the Laughing Lady, the Neighbor Boys, Rhythm Singers, Avalon mixed chorus and an orchestra directed by Phil Davis, with special musical arrangements by Bob Strong. Del King is master of ceremonies. Latham Ovens, who has written for Joe Penner and other noted comedians, supplies the comedy material.

The new campaign is being handled by Freeman Keyes, president of the Russel M. Seeds Company (advertising agency), Chicago.

L. G. BRENNERSON, RETIRED BUFFALO CIGAR MANUFACTURER PASSES ON

Louis G. Brennerson, retired Buffalo, N. Y. cigar manufacturer died recently at his home, 21 Pawnee Parkway, Buffalo, N. Y., at the age of 75 years. The funeral services were held in his home.

Mr. Brennerson was born in Newark, N. J., and it was in that city that he received his education. Following that he entered the cigar manufacturing business and continued in it in Newark until 1895. In that year he decided upon a change of location and moved the business to Buffalo, N. Y. He retired more than 15 years ago.

GENERAL CIGAR COMPANY TO ERECT A $200,000 BUILDING AT WORLD'S FAIR

A $200,000 building and exhibit will be constructed at the New York World's Fair on a plot of 20,000 square feet by the General Cigar Co., according to plans made public. The building will be located on one of the main thoroughfares, in the shadow of the Trylon and Perisphere, the theme center of the Fair.

Construction of the building, designed by Ely Jacques Kahn, F. A. I. A., will be started this month. One of the features of the air-conditioned structure will be a huge circular lounge on which the main entrance opens. Most of this space will be occupied with soft, comfortable seats for weary sight-seers. A hedged garden will flank one side of the building, with shade trees, where visitors may also rest. A modern cigar stand featuring the White Owl will be opposite the lounge.

Two novel attractions will be a teletype machine flashing general world-wide news and sports news every minute on a translux screen, so located that it can be seen from any position in the lounge, and two electrically operated score boards flanking the cigar stand which will give an inning-by-inning account of every game in both the National and American Leagues throughout the 1939 season.

An estimated 150,000 simulated cigars, with their cellophane and colored bands, will be arranged into an intricate pattern to present the appearance of an immense tapa, a British Indian tapestry woven of bark, to cover the walls and ceiling of an entry-way leading from the circular lounge to a fan-shaped auditorium. Here the growing, manufacturing and consumption of cigar tobacco will be illustrated with the aid of mosaic designs and three machines in operation performing the steps from tobacco leaf to finished cigar wrapped in cellophane.

HARVEY S. SOUDER, WIDELY KNOWN BOX MANUFACTURER, SUCCUMBS AT 74

It is with deep regret that we record the death of Harvey S. Souder, cigar box and cigar box lumber manufacturer of Sonderton, Penna., who died in the Elm Terrace Hospital, Lansdale, Penna., where he had been a patient since September 5th and had undergone two operations. He was seventy-four years of age.

Mr. Souder was widely known among cigar manufacturers throughout the country and was a large producer of cigar containers; and in addition to manufacturing cedar for his own use he also sold this product to other cigar box manufactnrers.

For a period of time he was active in the Eastern Cigar Box Manufacturerers' Association and was also a member of the original National Cigar Box Manufacturers' Association, which has passed out of existence.

Surviving him are his widow and one son, Walter.

HARRY D. ROBERTS, PRESIDENT OF J. W. ROBERTS & SON SUCCUMBS

Harry D. Roberts, head of the mail order cigar manufacturing concern of J. W. Roberts & Son, Tampa, Fla., died recently of a heart attack at the age of 58 years. Mr. Roberts was long active in the business and civic affairs of the city. He was a member of several fraternal orders and was well known in the industry. He passed away during a visit to New York City.

TOBACCO PRODUCTS RANK FIRST IN DRUG STORE SALES SAYS MERCHANT

A. C. Nielsen, president of the A. C. Nielsen Company, Chicago, Ill., recently told the National Association of Chain Drug Stores at their convention in Rye, N. Y., that tobacco accounts for the largest sales volume in drug stores, with the soda fountain running second.

Well, the old cigar store now carries everything but a prescription clerk, so it seems only fair for the druggists to break into the tobacco products business. The chain grocery stores have been selling tobacco products for some time, and the delicatessen shop as well. So we can't blame the druggist. The smoker who is out of his favorite tobacco product is not going to walk a mile when he can get what he wants on the corner of the street. Just an example of this changing business life.

BAYUK EARNINGS UP FOR NINE MONTHS

Bayuk Cigars Incorporated and wholly owned subsidiaries report net earnings for nine months ending September 30th of $908,038.01 equal, after preferred dividends, to $2.08 per share on common stock against net earnings of $707,323.81 equal, after preferred dividends, to $1.55 per share on common stock for same period of 1937.

STATEMENT OF THE OWNERSHIP, MANAGEMENT, CIRCULATION, ETC., REQUIRED BY THE ACTS OF CONGRESS OF AUGUST 24, 1912, AND MARCH 3, 1933.

Of THE TOBACCO WORLD, Published Monthly at Philadelphia, Penna., for October, 1938.

State of Pennsylvania, } ss.
County of Philadelphia, }

Before me, a Notary Public in and for the State and County aforesaid, personally appeared Gerald B. Hankins, who, having been duly sworn according to law, deposes and says that he is the business manager of THE TOBACCO WORLD, and that the following is, to the best of his knowledge and belief, a true statement of the ownership, management (and if a daily paper, the circulation), etc., of the aforesaid publication for the date shown in the above caption, required by the Act of August 24, 1912, embodied in Section 411, Postal Laws and Regulations, printed on the reverse of this form, to wit:

1. That the names and addresses of publisher, editor, managing editor, and business managers are:

Publisher—The Tobacco World Corporation, 236 Chestnut Street, Philadelphia, Pa.

Editor—Hobart B. Hankins, 236 Chestnut Street, Philadelphia, Pa.

Managing Editor—None.

Business Managers—John Cleary, 236 Chestnut Street, Philadelphia, Pa.

2. That the owner is: (If owned by a corporation, its name and address must be stated and also immediately thereunder the names and addresses of stockholders owning or holding one per cent or more of total amount of stock. If not owned by a corporation, the names and addresses of the individual owners must be given. If owned by a firm, company, or other unincorporated concern, its name and address, as well as those of each individual member, must be given:)

The Tobacco World Corporation, 236 Chestnut Street, Philadelphia, Pa.
Hobart B. Hankins, 236 Chestnut Street, Philadelphia, Pa.

3. That the known bondholders, mortgagees, and other security holders owning or holding 1 per cent or more of total amount of bonds, mortgages or other securities are: (If there are none, so state.)

None.

4. That the two paragraphs next above, giving the names of the owners, stockholders, and security holders, if any, contain not only the list of stockholders and security holders as they appear upon the books of the company but also, in cases where the stockholder or security holder appears upon the books of the company as trustee or in any other fiduciary relation, the name of the person or corporation for whom such trustee is acting, is given; also that the said two paragraphs contain statements embracing afhant's full knowledge and belief as to the circumstances and conditions under which stockholders and security holders who do not appear upon the books of the company as trustees, hold stock and securities in a capacity other than that of a bona fide owner; and this afhant has no reason to believe that any other person, association, or corporation has any interest direct or indirect in the said stock, bonds, or other securities than as so stated by him.

5. That the average number of copies of each issue of this publication sold or distributed, through the mails or otherwise, to paid subscribers during the six months preceding the date shown above is..... (This information is required from daily publications only.)

HOBART B. HANKINS,
Editor.

Sworn to and subscribed before me this 10th day of October, 1938.

EMIL R HARTLING,
(Seal) Notary Public.

My commission expires May 25, 1940.

CIGARS OFF IN EIGHT MONTHS PERIOD

(*Continued from Page 4*)

None were made in Puerto Rico in the first eight months of 1937.

Class E cigars were withdrawn in the first eight months to the number of 1,728,000, a decrease of 665,000. 8500 were made in the Philippines, an increase of 2400. None were produced in Puerto Rico for the period covered in 1937 or 1938.

About 97,000,000 little cigars were made in eight months of 1938 but this was a loss of more than 40,000,000 compared with the same period of 1937. None were manufactured in the Philippines or Puerto Rico.

Cigarette production was 109,500,000,000, which is a gain of 1,038,000,000. In the Philippines 460,000 were produced which is 120,000 less than in 1937. Puerto Rico cigarette withdrawals were 2,740,000 which is less by 430,000 than last year.

Large cigarettes made in this country totalled 1,618,000, a decline of about 95,000. In the Philippine Islands only 161 were made, but Puerto Rico produced 199,000 which was about 20,000 less than in 1937.

The snuff production thus far in 1938 has improved to date by 43,000 pounds, the total output thus far in the year being 24,000,000 pounds.

Smoking and chewing tobacco declined 774,457 pounds but the total amount thus far manufactured amounts to 202,656,155 pounds. In the Philippines forty-seven pounds were made. None was produced in Puerto Rico.

The comparative figures for tobacco products for the first eight months of the calendar year are as follows:

JUDGES' CAVE TO USE NEWSPAPERS

Judges' Cave, one of the widely-known cigar brands in New England territory and manufactured by F. D. Grave & Son, at New Haven, Conn., has planned a campaign in newspapers on the brand. The Remsen Advertising Agency will have charge of the account. The cigar has been an all-Havana product and the delight of connoisseurs. It has been packed for years in a full cedar box of excellent quality. The container has been made for years by one of the best-known cedar cigarbox manufacturers in New York City.

SITUATIONS WANTED

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Schedule of Rates for Trade-Mark Services Effective April 1, 1916

Registration,	(see Note A),	$5.00
Search,	(see Note B),	1.00
Transfer,		2.00
Duplicate Certificate,		2.00

Note A—An allowance of $2 will be made to members of the Tobacco Merchants' Association on each registration.

Note B—If a report on a search of a title necessitates the reporting of more than ten (10) titles, but less than twenty-one (21), an additional charge of One Dollar ($1.00) will be made. If it necessitates the reporting of more than twenty (20) titles, but less than thirty-one (31), an additional charge of Two Dollars ($2.00) will be made and so an additional charge of One Dollar ($1.00) will be made for every ten (10) additional titles necessarily reported.

NEW REGISTRATION

FARRICARIG:—46,701. For all tobacco products. Registered by the E. O. Eshelby Tobacco Co., Covington, Ky., on September 17, 1938.

TRANSFERRED REGISTRATIONS

MAPLETON:—45,577 (Tobacco Merchants Association of the United States). For cigars. Registered August 22, 1929, by M. Sacks & Co., Inc., New York, N. Y. Through mesne transfers acquired by Korn-Stewart Cigar Co., Inc., New York, N. Y., and re-transferred to Fleming-Hall Co., Inc., New York, N. Y., on September 1, 1938.

PERSONALITY:—16,376 (Tobacco World). For cigars, cigarettes, cheroots, stogies, chewing and smoking tobacco. Registered October 6, 1908, by American Litho. Co., New York, N. Y. Through mesne transfers acquired by Korn-Stewart Cigar Co., Inc., New York, N. Y., and re-transferred to Fleming-Hall Co., Inc., New York, N. Y., on August 20, 1938.

NESTOR:—42,126 (Tobacco Merchants Association of the United States). For cigars. Registered May 26, 1921, by Morris Welcher, New York, N. Y. Transferred to Korn-Stewart Cigar Co., Inc., New York, N. Y., and re-transferred to Fleming-Hall Co., Inc., New York, N. Y., on August 26, 1938.

VIRGINIA LEE:—27,770 (Trade-Mark Record), and **24,595** (Tobacco Leaf). For cigars, cigarettes and tobacco. Registered January 16, 1903, by American Litho. Co., New York, N. Y. Through mesne transfers acquired by Korn-Stewart Cigar Co., Inc., New York, N. Y., and re-transferred to Fleming-Hall Co., Inc., New York, N. Y., on August 26, 1938.

DU BELLE:—46,696 (Tobacco Merchants Association of the United States). For cigars. Registered by Fleming-Hall Co., Inc., New York, N. Y., on September 13, 1938. (Certificate is issued upon presentation made to us that the trade-mark or trade name herein specified, though apparently not heretofore registered in any of our Affiliated Bureaus, had been acquired by the registrant on August 26, 1938, by a transfer from Korn-Stewart Cigar Co., Inc., New York, N. Y., who had acquired same through mesne transfers from Schwab Davis y Ca., Inc., New York, N. Y.)

FRAT:—46,697 (Tobacco Merchants Association of the United States). For cigars. Registered by Fleming-Hall Co., Inc., New York, N. Y., on September 13, 1938. (Certificate is issued upon presentation made to us that the trade-mark or trade name herein specified, though apparently not heretofore registered in any of our Affiliated Bureaus, had been acquired by the registrant on August 26, 1938, by a transfer from Korn-Stewart Co., Inc., New York, N. Y., who had acquired same through mesne transfers from Schwab Davis y Ca., Inc., New York, N. Y.)

ARESCO:—32,564 (Trade-Mark Record). For cigars, cigarettes and tobacco. Registered February 1, 1907, by O. L. Schwencke Litho. Co., Brooklyn, N. Y. Transferred to R. Steinecke Co., New York, N. Y., and re-transferred to Nat Lewis, Passaic, N. J., on September 15, 1938.

KING HENRY:—(U. S. Tobacco Journal). For cigars. Registered July 23, 1883, by Steinecke & Kerr, New York, N. Y. Transferred by R. Steinecke Co., Passaic, N. J., successors to the original registrants, to Nat Lewis, Passaic, N. J., on September 15, 1938.

LIEDERKRANZ:—(U. S. Tobacco Journal). For cigars. Registered September 12, 1884, by Steinecke & Kerr, New York, N. Y. Transferred by R. Steinecke Co., Passaic, N. J., successors to the original registrants, to Nat Lewis, Passaic, N. J., on September 15, 1938.

MOROCCO:—2,900 (Trade-Mark Record). For cigars. Registered February 14, 1887, by Lichtenstein Bros. Co., New York, N. Y. Transferred to Consolidated Litho. Corp., Brooklyn, N. Y., and re-transferred to A. Siegel & Sons, Inc., New York, N. Y., on August 22, 1938.

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EXPERIENCED SALESMAN SEEKS NEW CONNECTION IN TOBACCO FIELD

Joseph Kaufman, who has been connected with several important jobbing and cigar manufacturing concerns covering Philadelphia territory, and who more recently has operated his own cigar manufacturing plant, has severed former affiliations and is now looking for a new connection.

Mr. Kaufman has had 25 years of selling experience in cigar, tobacco and the pipe field and is now seeking a new connection. He may be addressed at 645 North 52nd Street, Philadelphia, Pa.

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NOVEMBER 1938

TOBACCO WORLD

ESTABLISHED 1881

In This Issue

9 MONTH'S CIGAR WITHDRAWALS IN U. S. DECLINE TWO HUNDRED MILLION; CIGARETTES GAIN 900,000,000

CIGARS MANUFACTURED IN SEPT. WERE LESS BY MORE THAN 12 MILLION AS COMPARED WITH SEPTEMBER 1937

DEPT. OF AGRICULTURE REPORTS NOTICEABLE IMPROVEMENT IN TOBACCO INDUSTRY FOR 1939

F. S. KOONS NATIONALLY KNOWN CIGAR BOX MANUFACTURER PASSES AWAY AT AGE 64

THE TALK OF THE TRADE

Copyright 1938, Liggett & Myers Tobacco Co.

Hobart B. Hankins—*Editor* *Associate Editor*—Thomas J. Finney

THE TOBACCO WORLD

Vol. 58 NOVEMBER, 1938 No. 11

A GROWING trend among sovereign States of this country to become more and more autonomous in their own right has caused trade barriers to rapidly rise between them which is impeding the recovery era business has been looking forward to.

One of the fundamental ideas behind formation of the national Constitution at its adoption in Philadelphia was to prevent building of tariff walls by States so as to assure tradesmen in a united democracy a free passage of their wares. Prior to this the States were loosely-knit with each being complete overlords of the territory within their boundaries, wielding a power similar to that used by barons in feudal times. Tradesmen were harassed by excessive duties and imposts when they crossed a State border line and transportation of commodities was discouraged.

However, these malpractices were rectified after months of wrangling by delegates to the Constitutional Convention when it was finally decided to eliminate customs at State lines and permit the entry of a sister States's merchandise duty-free, . . . but that was 150 years ago.

In a democratic form of government each individual is pledged by unswerving fidelity to uphold the principles of this Constitution. Violations of it by subterfuge such as "use taxes" and the like, detract materially from the idealistic arrangement fomented by our country's fathers back in 1789.

Local regulatory measures on agriculture, liquor, motorized transportation facilities, taxes which are discriminatory against products of another State, are bringing us right back to where we started and unless curbed by legislation will submerge local commerce into the feudal ooze once again.

Seventeen States have "port of entry" laws which set up "customs houses" at principal crossing points on State lines to enforce taxes, tolls and other restrictions on trade. Usually there is no flat discriminatory tax but in many cases inspections and requirements are such a nuisance they retard and hamper commerce. A dozen States at least have adopted straight-forward discriminations against beer and liquor of other States, while many others impose a direct tax upon salesmen soliciting orders within their boundaries for outside business concerns.

In an effort to protect local dairy products thirty-one States have levied a heavy tax on oleomargarine. This tax alone has prompted ill-feeling between Wisconsin and Alabama. The latter, a cottonseed State housing many margarine manufacturers, retaliated by refusing to purchase any Wisconsin-made dairy products for their State institutions.

We could go on and on listing the many evils and abuses which seem to be gaining popular momentum in various States and the tobacco industry cannot sit idly by and view these alarming conditions without consternation. If permitted to persist we may find ourselves in a maelstrom of economic chaos with each State becoming an isolated unit of trade.

The Tobacco World is fearsome this rising tendency to shut off State from State through the medium of trade barriers is putting us dangerously on the brink of a return to sectionalism and if unchecked will keep gnawing at free trade until the United States will lose its superb greatness as a commercial entity.

We have but to cast our eyes across the Atlantic Ocean at Europe to get a real picture of the working of autonomous groups of nations and how it affects trade. The picture is not a rosy one and it is not necessary for us to devote any space to Europe's economic condition. We do insist, however, we do not want "Balkanized States" on this side of the water.

▲

E. C. B. M. A. MEETS IN PHILADELPHIA

THE Eastern Cigar Box Manufacturers Association will hold their December meeting at the Benjamin Franklin Hotel on Saturday, December 10th. This will be the last meeting of the year and a good attendance is anticipated. The meeting will be called to order at 10 A. M.

▲

OUR contemporary, *Tobacco*, in its September 8th issue, publishes a convincing editorial on the subject of cigar stores as a breeding place for Crime. The article refers to New York City and State, but those who travel about the country must know that the condition referred to is not confined to New York City or State, alone. And further, it is not confined to cigar stores. Tap rooms are just as much of a breeding place, if not more so.

In Philadelphia, aside from places which take bets on the horse races, the cigar stores are filled with pin-ball machines, and this is equally true of saloons. The customers in many cases play the machines until their last nickel is gone. The proprietor holds the bag for the cigars or drinks, or both, and some day gets paid off—maybe.

These machines are prohibited by law, but nothing is done about it. Obviously there is some connivance with those in authority or otherwise the machines would have been confiscated long ago. The split between the owners of the machines and the person in whose place they are operated is 40–60 or 50–50, as the arrangement may be. It is difficult to believe that city governments cannot put a stop to the operation of these gambling devices, if they want to.

Tobacco suggests that salesmen refuse to sell tobacco products to stores which operate these gambling machines, and in addition remove their display cards, etc., from the windows of such places where they are used as a "blind front." With this idea we are in accord, but who is going to take the step, and how is it to be done?

The TOBACCO WORLD (established 1881) is published by Tobacco World Corporation; Hobart B. Hankins, President and Treasurer; John Cleary, Secretary. Office, 236 Chestnut Street, Philadelphia, Pa. Issued monthly. Subscriptions, available only to those engaged in the tobacco industry or trade, $1.00 a year, 15 cents a copy; foreign, $1.75 a year. Entered as second-class mail matter, December 22, 1909, at the Post Office, Philadelphia, Pa., under the Act of March 3, 1879.

Cigars Decline in 9 Months 5¼%

Cigarette Gain Approaches 900;000,000: Smoking and Chewing Tobaccos Show a Slight Decline; Snuff Production Up

FOR the first nine months of the calendar year all classes of cigars made in the United States declined. The loss was about 208,000,000 for all classes; in percentage it amounted to 5 23/100 per cent. Cigarettes gained about 896,000,000, an increase of less than 1 per cent. Little cigars fell off more than 25 per cent., and there was a small fractional decrease in manufactured tobaccos.

Cigars manufactured in the Philippine Islands increased more than 7,000,000, a gain of more than 5 per cent. The decrease in the production of cigars in Puerto Rico amounted to more than 24,500,000, only a few more than 1,000,000 being manufactured there this year thus far.

In the first nine months of this calendar year Class A cigars declined 157,000,000, a loss of almost 4½ per cent.; 3,363,000,000 were made during the period.

Class B cigars were produced in the period to the amount of 36,685,000, which was a falling off of more 2,225,000, or 5 4/10 per cent.

Class C decreased more than 44,000,000, or a percentage decline of more than 11½ per cent. The total number of cigars manufactured in this class thus far in the calendar year was 337,000,000.

Class D is in the minus column more than 3,700,000, a decrease of more than 13 per cent.; 24,000,000 cigars were manufactured in this bracket.

In Class E there was a drop of 25 per cent., or 683,000 cigars. Only 2,000,000 had been made in this class in 1938 up to the time the report was issued.

Little cigars are off more than 25 per cent., the loss amounting to 39,000,000. The total production for the period covered is less than 115,000,000.

More than 124,232,000,000 cigarettes were manufactured. This is a gain of almost 900,000,000, or about ¾ of 1 per cent.

There were 27,615,000 pounds of snuff manufactured, which is a gain over the same period in 1937 of 285,000 pounds—a little more than a 1 per cent. increase.

Smoking and chewing tobaccos were manufactured in the amount of 230,000,000 pounds. This was a decrease of about 36,000 pounds, or two one-hundredths of 1 per cent.

In the Philippine Islands Class A cigar production amounted to 142,320,000 cigars—an increase of more than 7,000,000. There was a very small gain also in Class C and Class E.

In Puerto Rico less than 800,000 Class A cigars were made as compared with 24,500,000 in the first nine months of 1937. The total production for all classes is 1,200,000 thus far in 1938.

In 1937, 3,770,000 cigarettes were made, which is 500,000 more than have been made in 1938 so far.

Product	1st 9 Mos. Cal. Yr. 1938		Increase or Decrease Quantity	Per Cent.
Cigars:				
Class A—				
United States	3,363,141,170	—	157,044,700	4.46
Philippine Islands	142,319,690	+	7,343,795	5.44
Puerto Rico	700,550	—	23,777,375	....
Total	3,506,161,410	—	173,478,280	4.71
Class B—				
United States	36,685,567	—	2,263,574	5.81
Philippine Islands	29,903	—	271,601	....
Puerto Rico	65,500	—	692,600	....
Total	36,780,970	—	3,227,775	8.07
Class C—				
United States	337,304,762	—	44,071,214	11.56
Philippine Islands	183,457	+	26,835	....
Puerto Rico	438,950	—	106,700	....
Total	337,927,169	—	44,151,079	11.56
Class D—				
United States	24,074,802	—	3,715,917	13.37
Philippine Islands	200,553	—	53,399	....
Puerto Rico	1,500	+	1,500	....
Total	24,276,855	—	3,767,816	13.44
Class E—				
United States	2,039,768	—	683,119	25.09
Philippine Islands	13,497	+	7,432	....
Puerto Rico	.....		.....	....
Total	2,053,265	—	675,687	24.76
Total All Classes:				
United States	3,763,246,069	—	207,778,524	5.23
Philippine Islands	142,747,100	+	7,053,062	5.20
Puerto Rico	1,206,500	—	24,575,175	....
Grand Total	3,907,199,669	—	225,300,637	5.45

Product	Cal. Yr. 1938 1st 9 Mos.		Quantity Increase or Decrease	Per Cent.
Little Cigars:				
United States	114,665,112	—	39,066,902	25.41
Philippine Islands	.....		.....	....
Puerto Rico	.....	—	1,506,680	....
Total	114,665,112	—	40,573,582	26.14
Cigarettes:				
United States	124,232,519,066	+	895,993,892	0.73
Philippine Islands	1,475,563	+	822,596	....
Puerto Rico	3,259,080	—	511,520	....
Total	124,237,253,709	+	896,304,968	0.73
Large Cigarettes:				
United States	1,847,370	—	242,414	11.60
Philippine Islands	161	—	2,911	....
Puerto Rico	218,850	—	51,150	18.94
Total	2,066,381	—	296,475	12.55
Snuff (lbs.):				
All United States	27,614,315	+	284,395	1.04
Tobacco (Chewing and Smoking) lbs.:				
United States	229,712,350	—	35,842	0.02
Philippine Islands	47	+	38	....
Total	229,712,397	—	35,804	0.02

Seven Months Ending July 31

Product	1938		Increase or Decrease Quantity	Per Cent.
Plug	31,847,553	—	2,881,775	8.30
Twist	2,986,320	—	991,375	24.92
Fine-cut Chewing	2,753,412	—	535,028	16.27
Scrap Chewing	26,259,644	—	318,630	1.20
Smoking	111,401,573	+	1,706,969	1.56
Total	175,248,502	—	3,019,839	1.69

Your tired nerves need frequent relief

SCOTTIE

Known variously in early Scottish history as Skye terrier, Highland, Cairn, and Scots terrier, although that dog bore no resemblance to Skyes and Cairns of today. Nicknamed the "die-hard" for stout heart and unquenchable love for sport. Extremely independent.

HE'S GIVING HIS NERVES A REST . . .

AND SO IS HE

LIKE humans, dogs have a complicated set of nerves. But dogs are kinder to their nerves than we. They rest when they need rest . . . while we plunge ahead with our hurry and worry—straining our nerves to keep up with the fast pace. We can't turn back to the natural paces of life like an animal, but we can protect, soothe, and calm our nerves. Smoking a Camel can be your pleasant method for breaking nerve tension. Camels are *mild*, with the flavor of a matchless blend of costlier tobaccos. Smokers find Camel's mild tobaccos delightfully soothing—*soothing*—to the nerves.

SUCCESSFUL PEOPLE ADVISE

"Let up—light up a Camel"

DID YOU KNOW:

That most cigarette tobacco is harvested by "priming"—removing each leaf by hand? Camel buyers know where choice grades of tobacco are—those that cure nicely—the mild, ripe, fragrant tobaccos. Camels are a matchless blend of finer, MORE EXPENSIVE TOBACCOS...Turkish and Domestic.

"HOUSEWORK, shopping, and social affairs," says busy Mrs. V. G. Weaver, "would get me tense if I didn't rest my nerves every now and then. I let up and light up a Camel frequently."

Smoke 6 packs of Camels and find out why they are the LARGEST-SELLING CIGARETTE in America

Copyright, 1938, R. J. Reynolds Tobacco Co., Winston-Salem, N. C.

EDDIE CANTOR—America's outstanding comic personality of the air—each Monday evening—Columbia Network, 7:30 p.m E.S.T., 9:30 p.m C.S.T., 8:30 p.m M.S.T., 7:30 p.m P.S.T.

BENNY GOODMAN—King of Swing, and the world's greatest swing band—each Tuesday evening—Columbia Network, 9:30 p.m E. S. T., 8:30 p.m C.S.T., 7:30 p.m M.S.T., 6:30 p.m P.S.T.

LET UP—LIGHT UP A CAMEL!

Smokers find Camel's Costlier Tobaccos are SOOTHING TO THE NERVES

September Cigar Production Off

Cigarettes Down Less Than One Percent
But Chewing Tobacco and Snuff Gains;
Philippine Products Lost Over 6% Last Month

CIGAR production in the United States declined almost 2½ per cent. in the month of September. The decrease was more than 12,000,000 cigars, Classes A and C accounting for more than 10,000,000. Imports from the Philippine Islands were off more than 1,000,000, and *The Tobacco Merchants Association Barometer* does not record any cigars at all being produced in Puerto Rico for the month.

Cigarette production was off almost 143,000,000, but it is less than 1 per cent. The industry produced approximately 14,711,000,000 cigarettes, which is not so bad considering the decline that has brought worries to the manufacturers, jobbers and retailers of many other lines of merchandise.

Manufactured tobacco amounted to more than 27,000,000 pounds in September, which was an increase of more than 738,000 pounds over the previous September.

The report shows that in September little cigars gained more than 1,000,000, an increase of almost 6¾ per cent. The nine months record for the calendar year shows a heavy decline.

More than 3,527,000 pounds of snuff were manufactured in the month. This was an increase of 240,000 pounds over September of 1937, a percentage gain of 7.36 per cent.

An appended table of manufactured tobacco production just received covering the month of July of 1937 and 1938 shows a decrease of more than 400,000 pounds. Only scrap chewing tobacco showed an increase. Smoking tobacco declined more than 8 per cent.

The importation of Class A cigars from the Philippine Islands fell off more than 6 per cent. or a 1,227,000 cigars. In Class B only 1600 were brought in, as compared with more than 100,000 last September. Class C shows a slight loss, but Classes D and E increased somewhat.

Cigars manufactured in Puerto Rico this September amounted to 102,000 in Class A, as compared with 435,000 in Class A in September of 1937. Class B cigars this September past amounted to only 1600, while in September of 1937, 108,000 were made.

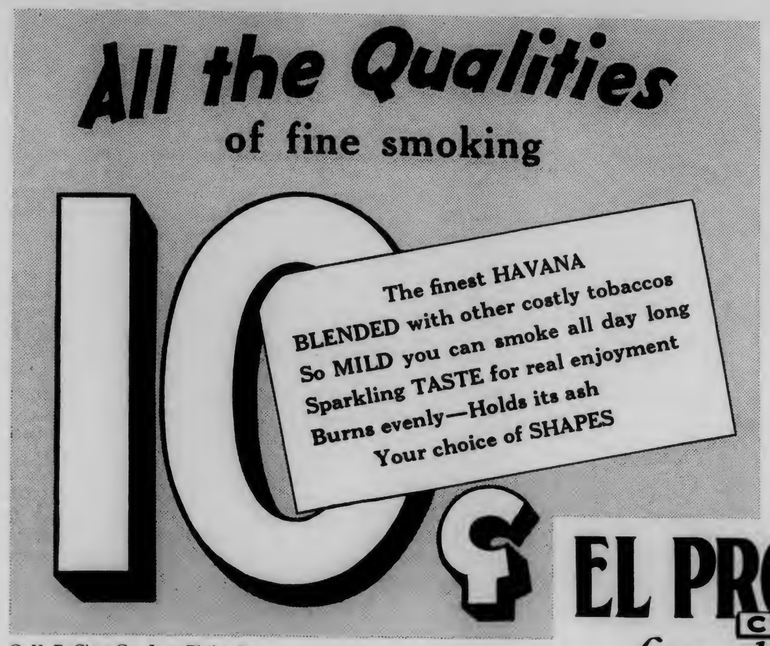
In the Class C division Puerto Rico produced 24,000, as against 30,000 September a year ago.

No cigars were manufactured in Class D or in Class E during September of this year or September of last year. Production of cigars made for all classes during September of this year were about 400,000 less than in September of 1937.

Puerto Rican cigarettes were manufactured in a slightly smaller quantity than in September of 1937. The production this September was 518,000, a decrease of 82,000. About 62,000 little cigars were made in September of 1937, but none were reported for September of 1938.

The comparative statistics for the month of September, 1937 and 1938, are as follows:

Product	September, 1938		Increase or Decrease Quantity	Per Cent.
Cigars:				
Class A—				
United States	430,011,635	—	3,067,040	0.71
Philippine Islands	18,268,920	—	1,227,140	6.29
Puerto Rico	102,050	—	333,075	....
Total	448,382,605	—	4,627,255	1.02
Class B—				
United States	4,246,047	—	886,173	17.27
Philippine Islands	1,603	—	107,017	....
Puerto Rico	9,000	—	7,550	....
Total	4,256,650	—	1,000,740	19.03
Class C—				
United States	48,358,992	—	7,667,528	13.69
Philippine Islands	24,300	—	5,902	....
Puerto Rico	32,250	—	36,500	....
Total	48,415,542	—	7,709,930	13.74
Class D—				
United States	3,553,553	—	714,665	16.74
Philippine Islands	77,500	+	19,275	....
Puerto Rico	.....		.....	....
Total	3,631,053	—	695,390	16.07
Class E—				
United States	311,711	—	17,959	5.45
Philippine Islands	5,000	+	4,980	....
Puerto Rico	.....		.....	....
Total	316,711	—	12,979	3.94
Total All Classes:				
United States	486,481,938	—	12,353,365	2.48
Philippine Islands	18,377,323	—	1,315,804	6.68
Puerto Rico	143,300	—	377,125	....
Grand Total	505,002,561	—	14,046,294	2.71
Little Cigars:				
United States	17,690,733	+	1,115,320	6.73
Philippine Islands	.....		.....	....
Puerto Rico	.....	—	61,880	....
Total	17,690,733	+	1,053,440	6.33
Cigarettes:				
United States	14,710,977,947	—	142,825,473	0.96
Philippine Islands	1,014,970	+	943,270	....
Puerto Rico	518,000	—	82,000	....
Total	14,712,510,917	—	141,964,203	0.96
Large Cigarettes:				
United States	228,700	—	147,790	39.25
Philippine Islands	.....		.....	....
Puerto Rico	20,000	—	30,000	....
Total	248,700	—	177,790	41.69
Snuff (lbs.):				
All United States	3,520,488	+	241,465	7.36
Tobacco (Chewing and Smoking) lbs.:				
United States	27,056,195	+	738,615	2.81
Philippine Islands	.....		.....	....
Total	27,056,195	+	738,615	2.81



—and ALL the qualities for profitable retailing

—The most popular high-grade cigar in America!

—Shapes and sizes to suit your trade!

—Consistent national newspaper advertising!

—Real dealer helps!

—A policy of absolute fairness to all!

G. H. P. Cigar Co., Inc., Phila., Pa.

EL PRODUCTO CIGARS
for real enjoyment

CONNECTICUT VALLEY SHADE TOBACCO MEETING IS CALLED FOR DECEMBER 8

Growers, handlers, and processors of Connecticut Valley shade grown tobacco (U. S. Type 61) will meet in Washington, D. C., December 8th, the Agricultural Adjustment Administration announced. They will discuss production and marketing requirements of Type 61 relative to the 1939 crop year.

The conference was called by Secretary of Agriculture Henry A. Wallace in accordance with provisions of the marketing agreement for handling Type 61 tobacco. The meeting will open at 9 A. M. in Room 3707, South Building, Department of Agriculture.

Recommendations will be submitted to the Secretary of Agriculture as a basis for his determination, under the terms of the marketing agreement, of acreage advisable to plant next year.

Announcements of the meeting have been mailed to representatives of growers and handlers of Type 61 tobacco, the Connecticut Valley Shade Growers Association, Inc., and to cigar manufacturers. Announcements also went to representatives of growers and handlers of Georgia-Florida Type 62 tobacco. The marketing agreement for Type 61 does not include Type 62, but the tobaccos are of similar types, and enter into the same general use.

The marketing agreement for Connecticut Valley shade grown tobacco has been in operation since December 11, 1933. During this period the excess supply of Type 61 tobacco has been removed.

TOBACCO CURING MACHINE STEALS DIXIE SPOTLIGHT

THE machine age, already a menace to the typical cotton-picking scene, is now threatening another colorful Dixie spectacle. An automatic tobacco curing machine, requiring little attention, has been patented by Percy Gainey, of the Dunn, N. C., section.

One of the most onerous tasks of tobacco planting is the curing job. The harvested tobacco is hung in bunches on sticks in log barns, and a fire is built in furnaces. For three to five days, someone must stay at the barn, day and night, to see that the temperature increases gradually, the tobacco cooked to the right degree and that the fire dies out slowly.

It is a lonely job, and many visitors to Carolina, traveling at night, attracted by the glowing fire of a curing barn, have stopped to investigate and talk to the attendant and whiff the peculiar and rich aroma of curing tobacco.

But Percy Gainey, who can neither read nor write, wanted to get on with other farm work. And so he invented an oil burner to tend the barn while he went on about other business.

Gainey inspected various oil burners on the market and found them lacking. With some scraps picked up here and there, he built an economical and efficient burner, which burns crankcase oil as well as crude oil. His neighbors, marveling that Gainey could afford the luxury of a store-bought burner, investigated and advised him to patent several exclusive features of his machine. It was used all this season, and not a stick of tobacco was ruined.

. P. LORILLARD COMPANY, Inc.

119 West 40th Street · New York City

Is offering an unusually attractive line of Christmas Wrapped Packages this year... packages that will help you sell *Merchandise*

NEW OLD GOLD PROGRAM TO START ON COAST-TO-COAST HOOKUP ON NOVEMBER 20

P. LORILLARD COMPANY announce their new Old Gold air show, to have its debut on a coast to coast hook-up of the Columbia Broadcasting System Sunday, November 20, at 10:00 P. M., E. S. T. In the New York area, in addition to WABC, the Columbia station, the program will also be heard over WHN. Robert Benchley, king of humor, will hold the reins of a half-hour entertainment appropriately entitled "Melody and Madness," a novelty show in which Benchley, as master of ceremonies and star performer, will intersperse a cross-fire of verbal fun with Artie Shaw, his band leader, and Dick Todd, his baritone artist. It's the guess in circles that ought to know, that Shaw is the coming favorite with the young bloods who have been following his orchestra around, and he undoubtedly will bring with him an enthusiastic audience to the Old Gold program.

TOBACCO FIRM GETS NEW OWNER

The New England Cigar and Tobacco Company, of New London, Conn., has been sold to Samuel D. Smith, of Hartford, Conn. The announcement was made by Mrs. Sadie Mann, former proprietress. The trade name will be kept intact but a new personnel will include Ada S. Guberman, treasurer, and B. B. Richmond, secretary. Approximately $30,000 was involved in the transaction.

Mrs. Mann was the winner of the National Association of Tobacco Distributors' Award of a Chevrolet delivery truck at their last annual convention.

TOBACCO WEEK OBSERVANCE IS BOON TO INDUSTRY

EFFORTS to establish a national observance of "Tobacco Week" were met with whole-hearted approval of wholesale and retail tobacco dealers in the Philadelphia area. Pledging support to the idea, which is designed to make the country's 131,000,000 population tobacco conscious, a representative group of merchants expressed belief this movement will have a far-reaching effect in educational value to the smoking public and increase consumption.

A program, now in formulative stage, includes proposals of a series of instructions through magazine, newspaper and radio advertising in a coast-to-coast campaign to enlighten the public as to the economic importance of the tobacco industry.

Mayor Edward J. Kelly, of Chicago, sounded the opening note inaugurating "National Tobacco Week" by an official proclamation which designated the week of January 16, 1939, to be set aside for tobacconists.

The Mayor's action was prompted by selection of Chicago by the National Association of Tobacco Distributors, Inc., as the site for their annual convention January 18, 19, 20, 21, next year. The organization is national in scope representing wholesale tobacconists.

Recognition of the N. A. T. D. by the Windy City officialdom found the tobacco industry immediately receptive for a nation-wide observance and gave impetus to the current drive.

PIPE SMOKING CO-EDS ON LOOSE

PIPE manufacturers and smoking tobacco producers give ear! If you haven't been apprised of the fact, let us inform you that the little ladies attending many of the country's higher educational institutions have lately found solace and comfort by smoking pipes.

Not the makeshift type used by old Southern mammies, but dainty modernistic pipes that the young male generation is wont to disport. The fad started on the campus of Tulane University, and who knows where it will end? When the girls make up their mind to do something there is no stopping 'em.

Tobacconists cannot treat this new feminine slant lightly, for it may prove a real boon to business. Cynics may arch their eyebrows and pooh-pooh the idea, but who thought three groans and four grunts would develop into the latest song-hit or a bass fiddle solo satisfy a group of jitterbug dancers? So let's give the pipe-smoking co-eds three rousing cheers and watch carefully their reaction . . . we don't mind watching them, either.

YORK TOBACCONISTS DINE

York, Pa.—The York County Cigar Manufacturers Association will hold their annual banquet and entertainment in Hotel Yorktown here, on Thursday, December 15th. The committee in charge of arrangements consists of Russell Strayer, chairman; J. W. Kelly, Roy Smith, Russell S. Stine, secretary, and B. G. Nebinger, president of the organization.

F. S. KOONS, WIDELY KNOWN CIGAR BOX MANUFACTURER, DIES AT THE AGE OF 64

IT IS with deep regret that we record the death of Fred S. Koons, widely known cigar box manufacturer and president of the Fred S. Koons Cigar Box Factory, Inc., at Boyertown, Pennsylvania.

Mr. Koons passed away on Monday, October 31, from an attack of indigestion.

Mr. Koons served some of the larger cigar manufacturers of the country over a long period of years. He was one of the oldest members of the Eastern Cigar Box Manufacturers' Association, as well as one of the founders of the National Cigar Box Manufacturers' Association. He was also a member of the Western Cigar Box Manufacturers' Association.

Mr. Koons was born August 17, 1874. He was one of Boyertown's progressive citizens and had numerous other interests besides his cigar box business.

Mr. Koons had been ill off and on for several years with a kidney condition. After a period of hospitalization he apparently recovered from this and regained his health. For some years past he had been a regular visitor to St. Petersburg, Fla., where he usually spent from six weeks to two months. He is survived by his widow and a number of sons, to whom we wish to extend our deepest sympathy.

BURLEY PRODUCERS MAY HAVE REFERENDUM

PRODUCERS of Burley tobacco and dark fire and air-cured tobacco will determine on December 17th by referendum whether they are in favor of national marketing quotas for their commodities as soon as the Secretary of Agriculture releases his schedules for the 1939-40 marketing year.

Preliminary plans have been made by the Agricultural Adjustment Administration to conduct this referendum if the Secretary's figures are met with disapproval by those in the industry. A decision is expected prior to December 1st. The holding of the referendum depends upon the supply of the commodity exceeding the reserve supply level outlined by the 1938 Agricultural Adjustment Act.

CAMEL FEATURES NEW XMAS CARTON

Complete new Christmas packaging for the Camel carton and flat "50's" features the R. J. Reynolds Tobacco Co. offer for the holiday season.

The new Camel carton in bright yellow and blue, and with Santa Claus shown at Christmas tree, will make an effective counter display. The carton wrapping also carries the Camel slogan—"made from finer, more expensive tobaccos—Turkish and domestic."

The carton contains ten packs of "20's" (200 cigarettes), and the flat "50's," with packaging of the same design, contain four tins of fifty cigarettes each.

Another outstanding Christmas special is a package of Prince Albert both in tin and glass humidor. Both items make ideal presents for pipe-smoking friends or relatives.

An attractive Christmas-wrapped sixteen-ounce tin of George Washington tobacco is also included among the holiday season offerings.

NEW CHRISTMAS PACKAGE FOR PHILLIES

The Christmas wrapper, illustrated above, which will appear on holiday packages of Phillies cigars, is the most attractive in the history of the product, according to the jury that selected the design over a number of others considered.

Bayuk Cigars, Inc., has long been a pioneer in encouraging the use of special packages tied in with occasions. Fathers' Day promotions have been successfully used and Christmas promotions in particular have helped increase the sale of cigars by the box.

This year's Phillies package is outstanding on several counts. It departs from the conventional Christmas package and by that very reason gains in pictorial interest.

The scene reproduced is boldly realistic and was painted by Dale Nichols, one of the most gifted contemporary American artists. The basic color scheme is blue, a color becoming increasingly popular for Christmas as a refreshing contrast to the conventional red and green. Prominent use is also made of silver, giving the complete package a richness of color that is highly attractive.

Bayuk has sponsored many excellent package designs over a period of years, but for distinctive appeal, its Christmas 1938 package bids fair to excel anything in the past. It is a striking example of modern packaging at its best.

HAVANA DEALERS HOLD BANQUET

A GOOD-WILL dinner opening an advertising campaign for Havana cigars was held Monday night, November 21, in Hotel Astor, New York. Importers and sellers of Havana brands were tendered the affair by the National Commission of Propaganda and Defense of Havana Tobacco through Sindicato de Publicidad Internacional.

Colonel Fulgencio Batista, chief of staff of the Cuban Army, now on a tour of the United States, was to have been the guest of honor but due to prior engagements in the South, he was unable to attend.

Among those present were Sr. Pablo Suarez y Roig, Consul General of Cuba in New York; Sr. Angel Conzalez del Valle, Ralph S. Williams, Joseph F. Martin, John McCuerty and Theodore Fredenburgh.

Leaves From World Tobacco Markets

A Glossary of News Events and Industrial Conditions Gathered From Corners of Tobacco World

Cuba

INTERNAL strife which has raged between warring factions in Spain has had a depressing effect on the Cuban tobacco market, especially in the export of cigars. This was revealed in statistics released by the Cuban government showing a sharp drop in Spanish importation since the "Big Berthas" of civil war opened a barrage on quiet scenic hillsides and peaceful life enjoyed by Spaniards for centuries.

According to authorities, in a five-year period prior to hostilities twelve million of Cuba's finest brands were exported to Spain, and last year this dropped to a paltry 1,800,000, with figures much lower during the current season. A veritable crisis is fast developing unless other markets are made available for Cuba's product. Spain was the second highest importer of their cigars, and drastic steps will necesarily have to be taken soon to alleviate the situation.

Palestine

LEADING cigarette manufacturers of Palestine have inaugurated a unique policy for subsidizing pioneer settlers in the Holy Lands. A half-farthing tax stamp is pasted on each pack of cigarettes turned out, and funds realized from this enterprise in addition to aiding agrarians in opening new territories will be used for the protection of Jewish farmers already established and help maintain their National Home in Palestine.

Those leading the movement are Bejerano Brothers, Dubek, Maspero Freres and Palestine Cigarette Company.

A decrease in cigarette consumption has been noted this year, but this is attributed to violent native outbursts which have had a deleterious effect on business in general.

Australia

Production of leaf tobacco in Australia gained nearly 2,000,000 pounds during the 1937-38 season over 1936-37, according to a report of the American Trade Commissioner at Sydney. An estimated 7,000,000 pounds was produced. This figure is about 3,000,000 pounds below the all-time high reached during the 1931-32 season when 10,000,000 pounds was produced. This was due to an increased duty on imported tobacco, and Australians immediately countered by hopping up their own production.

Sweden

POPULARITY of American-made cigarettes and American-grown tobacco has reached an all-time high in Sweden. A shift from Oriental brands to Virginia tobacco during the past three years has the complete sanction of Sweden's smoking public. Young and old smokers alike are clamoring for more and more American tobacco in their cigarettes.

Manufacturers have accordingly yielded to this demand, and imports by Sweden of American tobaccos have steadily increased. Recently a new cigarette named "Boston" was introduced on the market containing a major portion of Virginia tobacco blended with a small portion of Oriental leaf, and it proved a distinct "hit."

Canada

CANADA produced a bumper tobacco crop during 1937 and exceeded by 25,000,000 pounds their production of 1936. Reports indicate these figures will be increased when the 1938 statistics are made available. Planted acreage also increased from 55,000 in 1936 to 69,000 last year, the bulk of the crop being grown in Ontario Province. Canada found ready markets for her tobacco since her exports showed considerable gains besides making herself almost self-sustaining for local tobacco requirements. Reports show Canada produced 46,000,000 pounds in 1936 as compared with 71,000,000 in 1937, with more emphasis on flue-cured type than any other.

India

Baroda, India: Cultivation and curing of Virginian tobacco has been successfully undertaken here as the first seventeen acres planted yielded an excellent return of some 17,000 pounds. It was sold for 7d per pound, and growers expressed satisfaction as to its quality. Results have now warranted an expansion program in this area.

Finland

Finland has joined the ranks of nations showing an increased demand for tobacco, as shown by the duty received for 1937 by the State of 246,310,000 marks, as compared with 125,800,000 received for the first six months of this year. The estimated yield for this year is expected to reach 300,000,000 marks.

Excerpts From U. S. Trade Pact

Tobacco Industry Little Effected by "Most-Favored-Nation Agreement" Negotiated by Nations Last Month

Concessions to the United States Imports Into the United Kingdom Itself

In so far as the United Kingdom itself is concerned, no change whatever has been made in the rates of duty to which American manufactured tobacco products are subject on importation.

In fact, the only change made relating to tobacco concerns unmanufactured leaf, the agreement providing that there shall be no increase in the present margin of preference in favor of British countries. In this connection the agreement contains the following note:

"In the course of the discussions leading to the agreement signed this day, the United States Government have asked for a reduction in the preference accorded in the United Kingdom to Empire tobacco. The Government of the United Kingdom have recognised that this request is one to which the United States Government have attached much importance but they have been prevented from entertaining it by the existence of Agreements with several Governments within the British Empire which guarantee continuance of the present margin of preference until August, 1942. The Government of the United Kingdom will be prepared before decisions are taken as to the level of the preference after August, 1942, to examine the position as it then stands and the possibility of reducing the margin of preference. Meanwhile it will not be increased."

The British Colonial Empire

Speaking of the concessions obtained, the Department of State press release states:

"(3) Unmanufactured tobacco.—Nineteen reductions in the British margin of preference, eighteen of which establish parity with Empire tobacco, cover a trade valued in 1936 at $437,000. In addition, bindings of the present status as to preference in seven territories (three of which guarantee continuance of parity with Empire tobacco) cover a trade valued in 1936 at $1,271,000. The major portion of the latter figure represents imports of leaf tobacco from the United States into Nigeria and the Gold Coast, where the existing equality of treatment is bound by the agreement.

"(4). Manufactured tobacco.—Nine bindings and four rductions of the present margins of preference in favor of British Empire cigarettes cover a trade valued in 1936 at $134,000, while 10 bindings and 9 reductions of the preferences on other forms of manufactured tobacco cover a 1936 trade of $117,000."

"The agreement provides that the changes specified under schedule III shall come into effect as promptly as possible. It is anticipated that the necessary action will be taken to bring them into effect in the majority of cases by January 1, 1939. In such cases, the changes provided for will enter into effect upon the entry into effect of the agreement as a whole."

The following schedule shows the changes with respect to tobacco, unmanufactured as well as manufactured, as set forth in the schedules issued by the Department of State by countries.

Concessions Made by the United States Tobacco

The United States has made two concessions in connection with Schedule 6—(Tobacco and Manufactures of) the Tariff Act.

The first of these provides for a reduction of the present rate on "Manufactured on unmanufactured tobacco, not specially provided for" (Par. 603) of 20 cents per pound, i. e., from the present rate of 55 cents to 35 cents per pound.

The second cuts in half the present cigarette tax rate (Par. 605), the new rate being $2.25 per pound and 12½ per cent. ad valorem in place of the existing rate of $4.50 per pound plus 25 per cent. ad valorem.

In addition, "Tobacco stems, not cut, ground, or pulverized," which are now on the free list (Par. 1787) are bound against increase.

Tobacco Pipes

As stated in the State Department's press release:

"In this agreement the duty on pipe bowls and partly finished pipes of brierwood and on wholly or partly finished pipes of other wood or root, valued at less than $1.20 per dozen, is reduced from 5 cents each and 60 per cent. ad valorem to 2½ cents each and 40 per cent. ad valorem, making the rate the same on these products as the rate established on wholly finished brierwood pipes, valued at less than $1.20 per dozen in the trade agreement with France. The pipes and bowls imported in this category are of minor importance.

"On pipes and bowls valued at $1.20 or more but not more than $5 per dozen, which retail in the United States at 25 cents, 50 cents, and $1 each, the duty is reduced from 5 cents each and 60 per cent. ad valorem to 5 cents each and 50 per cent. ad valorem. The duty on pipes valued at more than $5 per dozen, which retail in the United States for more than $1 each, is reduced from 5 cents each and 60 per cent. ad valorem to 2½ cents each and 40 per cent. al valorem."

It should be added that the duty on "Common tobacco pipes and bowls made wholly of clay, valued at more than 40 cents per gross" has also been reduced from the present rate of 45 per cent. al valorem to 22½ per cent. ad valorem.

The United Kingdom Agreement

As stated by our Department of State:

"The trade agreement between the United States and the United Kingdom of Great Britain and Northern Ireland which was signed on November 17, 1938, covers not only the trade between these two countries—the largest trading countries of the world—but also the trade of the United States with Newfoundland and with the non-self-governing British colonies. It does not apply to Australia, Canada, New Zealand, the

(*Continued on page 12*)

SURVEY INDICATES BRIGHTER ASPECTS AS TOBACCO BUSINESS ZOOMS UPWARD

A SURVEY of the entire field discloses a favorable outlook for the nation's tobacco business in 1939 as viewed from Washington. Domestic consumption and export trade anticipates an expansion in excess of 1938 figures with the larger increases embracing cigarette and cigar classifications. Schedules were not available at this writing to ascertain just what effect the newly signed trade pact between England, Canada and the United States will have on the tobacco industry, so a proper analysis cannot be made at this time.

According to the Department of Agriculture, a noticeable up-grade trend in business activity, accompanied by increased buying power, indicates tobacconists can definitely expect a greater consumption of their products in the forthcoming year.

Although cigar and cigarette output is forecast as being headed for a banner year, lesser increases are predicted for chewing and smoking tobacco, but these have maintained a good equilibrium even in the relatively low level of general business marked in 1937. The Department of Agriculture does not foresee any substantial gains in chewing and smoking tobacco but believes that the wave of business optimism now sweeping the country will carry them into a year which will show increased production and consumption of their stocks.

All types of tobacco produced in 1938 approximate 1,484,690,000 pounds, which is about 4 per cent. under the 1937 crop. This decrease is attributed to slight declines in flue-cured, fire-cured and dark air-cured types. Burley production this year is expected to fall a little below the bumper 1937 crop.

Tobacco experts agree almost unanimously that the export trade will note a decided surge upward especially since Far East hostilities have curtailed production in China, which leads by far the foreign producers. Japan's "undeclared war" on China has placed tobacco leaf production in minimum brackets in that country, and with reduced foreign production, coupled with an increased foreign demand for American tobacco products, our tobacco industry will undoubtedly find a sizeable gain in exports to the mutual business betterment of growers, retailers, wholesalers and manufacturers alike.

The only unfavorable opinion expressed by the Department of Agriculture in their statement on tobacco export commodities concerns dark types of tobacco whose consumption seems to be decreasing. Trade barriers have also affected their exportation. Little prospect of increased exports is seen for Burley and Maryland tobaccos.

SOPHIE TUCKER ON CIGAR PROGRAMME

Sophie Tucker is now starring in a new thrice-weekly series of programs on sixty Columbia stations for Roi-Tan cigars. The broadcasts are heard on Mondays, Wednesdays, and Fridays from 6:45 to 7 P. M. An interesting feature of the new Roi-Tan series is a slogan contest, planned by Lord & Thomas agency, during which six new passenger cars will be awarded every week. This marks the third program sponsored by American Tobacco Co. on the Columbia network this fall. Others are the Lucky Strike Hit Parade, Saturdays, 10 to 10:45 P. M., and Ben Bernie and All the Lads, Sundays, 5:30 to 6 P. M.

AMERICAN-MADE CIGARETTES HEAD FOR NEW RECORD IN PUERTO RICO IMPORTS

Sales of American-made cigarettes to Puerto Rico promise to set a new high record during the current year, shipments during the first nine months being 13 per cent. greater than in the same period a year ago, according to a statement by the Puerto Rican Trade Council, based on U. S. Department of Commerce figures.

"The island's purchases totaled 623,600,000 cigarettes, a gain of 70,000,000 or 13 per cent. for the nine months," the report states. "The shipments were valued at $2,590,000 or 6 per cent. more than in the preceding year. Puerto Rico purchased 11 per cent. of all cigarettes shipped from the States during that period."

Total sales of all goods to the island were $57,800,000, a decrease of 11 per cent., the Council states. Although the application of the Wages and Hours Act to Puerto Rico will result in considerable unemployment in the needlework and tobacco stripping industries and in other smaller insular businesses, increased Federal spending is expected to offset part of the reduction in payrolls and to help maintain buying power there during the next two years.

GROWERS GET REFUND CHECKS

Madison, Ind.—Tobacco growers in this district have received their refund checks representing a Government return for taxes paid under the former Kerr-Smith Act on crops grown during 1934-35. An estimate places the rebate somewhere in the neighborhood of $100,000.

UNITED STATES TRADE PACT

(*Continued from Page 11*)

Union of South Africa, Ireland, India, Burma, or Southern Rhodesia, although some of the above-mentioned countries are large exporters of certain commodities on which the present tariff status in the United States is bound against unfavorable change. The agreement will go into effect on January 1, 1939, for an initial period of three years, and may continue in force indefinitely thereafter, subject to termination by either government on six months' notice."

Other Changes

Among the other concessions made by the United States, mention may be made of the following:

Flavoring extracts, etc., not containing alcohol (Par. 39) on which the duty has been reduced to 15 per cent. ad valorem;

Tobacco cutting machines and industrial cigarette making machines on which the duty is reduced to 22½ per cent. ad varolem;

Machines for packaging pipe tobacco, machines for wrapping cigarette packages on which the duty has been reduced to 17½ per cent. ad valorem.

Reductions were also effected in the duty on cigar knives (Par. 355); tobacco knives and circular cigarette cutters (Par. 356); cigar and cigarette lighters (Par. 1527) (c) (2); cigar and cigarette holders, not specially provided for (Par. 1552); mouthpieces for pipes, or for cigar and cigarette holders (Par. 1552); pouches for chewing or smoking tobacco, wholly or in

(*Continued on Page 13*)

UNITED STATES TRADE PACT

(*Continued From Page 12*)

chief value of leather (Par. 1552); cases suitable for pipes or for cigar or cigarete holders (Par. 1552); and cigar and cigarette cases and parts thereof, wholly or in chief value of leather (Par. 1552).

The Canadian Agreement

The agreement which was likewise signed by the United States and Canada on November 17, 1938, supersedes the agreement signed November 15, 1935.

As stated in the announcement issued by the State Department:

"The duty concessions of the new agreement are to be applied by both countries, effective January 1, 1939. The new agreement has an initial term of 3 years from the day following its proclamation by the President and may continue in force indefinitely thereafter until 6 months after notice of termination has been given by either country."

Concessions by Canada on American Imports

Under the new agreement the Canadian rate on cigarettes is reduced to $3 per pound and 15 per cent. ad valorem from the present level of $4.10 per pound and 25 per cent. ad valorem.

This is the only specific change made with respect to tobacco.

However, it may be mentioned that the Canadian duty on automatic machines for making and packaging cigars and cigarettes has been reduced to 10 per cent. ad valorem.

And it is to be noted, too, that in the case of these items and others listed in the schedule of reductions, the Canadian special excise tax of 3 per cent. will be removed on imports from the United States as soon as the necessary legislation can be enacted. This tax is not to be confused with the Canadian sales tax, now at the rate of 8 per cent., which applies to both Canadian and imported goods.

United States Concessions to Canada

The principal change made in the American duties in so far as the tobacco industry is concerned relates to maple sugar and maple syrup, the duty on the former being reduced to 3 cents per pound, and that on the latter to 2 cents per pound.

As stated in the release of the State Department:

"The duty on maple sugar was reduced from 6 to 4 cents per pound in the 1936 agreement, while the duty on maple sirup remained unchanged at 4 cents per pound. The effect on imports of having the duties the

(*Concluded on Last Page*)

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Schedule of Rates for Trade-Mark Services
Effective April 1, 1916

Registration,	(see Note A),	$5.00
Search,	(see Note B),	1.00
Transfer,		2.00
Duplicate Certificate,		2.00

Note A—An allowance of $2 will be made to members of the Tobacco Merchants' Association on each registration.

Note B—If a report on a search of a title necessitates the reporting of more than ten (10) titles, but less than twenty-one (21), an additional charge of One Dollar ($1.00) will be made. If it necessitates the reporting of more than twenty (20) titles, but less than thirty-one (31), an additional charge of Two Dollars ($2.00) will be made and so an additional charge of One Dollar ($1.00) will be made for every ten (10) additional titles necessarily reported.

NEW REGISTRATION

BILLET-DOUX:—46,704. For cigars, cigarettes and tobacco. Lilly, Dungan & Co., Baltimore, Md., September 27, 1938.

TRANSFERRED REGISTRATION

FAME:—485 (U. S. Tobacco Journal). For cigars. Registered July 23, 1883, by Steinecke & Kerr, New York, N. Y. Transferred by R. Steinecke Co., Passaic, N. J., successors to the original registrants, to A. Siegel & Sons, Inc., New York, N. Y., on September 21, 1938.

UNITED STATES TRADE PACT

(Continued from Page 13)

same on both items was to cause a heavy shift to imports of maple sugar. Reduction of the duty on maple sugar to 3 cents per pound, and that on maple sirup to 2 cents per pound, in the new agreement, restores the relationship between the two duties which formerly existed."

General Provisions

The general provisions of the new agreement are, with comparatively few exceptions, similar to those of the 1936 agreement.

In the new agreement the United States and Canada guarantee to accord each other unconditional "most-favored-nation" treatment with the usual exceptions as regards special trade advantages between the United States and Cuba, and between Canada and other British countries. Under this provision each country obligates itself to extend to the other, immediately and without compensation, the most advantageous customs treatment, including the lowest rates of customs duties, which it grants to any other country, either under trade agreements or otherwise, with the exceptions noted above. The most-favored-nation principle applies not only to customs duties but also to such matters as prohibitions or restrictions on imports or exports, the allocation of import quotas, foreign purchases by any Government-controlled monopoly in either country, and either Government's purchases of supplies from abroad.

The agreement also provides that the general principles upon which the dutiable value of products listed in the schedules is determined for the purpose of assessing ad valorem duties, shall not be so altered as to impair the value of any of the concessions. Either country may terminate the agreement upon thirty days' notice if the rate of exchange between the currencies of the two countries varies so substantially as to prejudice its industries or commerce.

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***Manufactured Tobacco Produced by Classes**

(As reported by the Bureau of Internal Revenue, based on manufacturers' returns of production)

Month of July

Product	1938	Increase or Decrease Quantity	Per Cent.
Plug	4,701,279	— 159,798	3.29
Twist	426,201	— 149,528	25.97
Fine-cut Chewing	378,379	— 179,093	32.13
Scrap Chewing	5,443,308	+ 1,316,006	31.89
Smoking	14,005,301	— 1,244,179	8.16
Total	24,954,468	— 416,592	1.64

*The production figures are in pounds, and are subject to revision until published in the annual report of the Commissioner of Internal Revenue.

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TOBACCO WORLD

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1881

In This Issue

CHICAGO'S MAYOR NAMES JAN. 16 "TOBACCO WEEK" WHEN N.A.T.D MEETS IN "WINDY CITY" FOR 7TH ANNUAL CONVENTION

CIGARS GAINED IN NOVEMBER OVER SAME MONTH IN 1937 WHILE THE CIGARETTE OUTPUT INCREASED

LEAVES FROM THE WORLD TOBACCO MARKETS AS GATHERED BY U. S. DEPARTMENT OF COMMERCE

CLASS A OUTPUT IN OCTOBER PUT LARGE CIGARS IN PLUS COLUMN; CIGARETTE OUTPUT IN DECLINE

THE TALK OF THE TRADE

Hobart B. Hankins—*Editor*

Associate Editor—Thomas J. Finney

THE TOBACCO WORLD

Vol. 58 DECEMBER, 1938 No. 12

THE Tobacco World takes this opportunity to voice its carols of Good Will to all for a healthy, happy and prosperous New Year. Our only hope and wish is that the year 1939 will be a banner year for everyone affiliated with the industry.

▲

THE wooden Indian whose stately poise in a gesture of peace tacitly announced to the public he was the recognized symbol of a tobacconist has almost completely passed into oblivion in urban life. Time has made a bier of his statuesque figure and relegated his splintered remains to a lumber pyré. A majority of the younger generation will never know that the Indian standing outside a shop denoted for hundreds of years a tobacco merchant within.

We wonder if his passing has any significance upon the "little neighborhood tobacconist" in business today. The corner cigar store, once the focal point to gather for gossip and discussion is gradually yielding to ultra-smart entrepreneurs of other merchandise who carry tobacco products as a side-line. Not that these modernistic traders have affected the industry, for, as a matter of fact, tobacco consumption has been increasing annually and its products more conveniently obtained, but we fear obsequies will soon be chanted for the small shopkeeper who sticks to one merchandise for sustenance.

Of course, we all move along with the times and we are quite aware that modern business methods have so surpassed those of yesteryear that there is no comparison, yet we are just old-fashioned enough to get sentimental about writing obituaries on the cigar store Indian's demise. And to think he is supplanted by metal cigarette and cigar vending machines and other fanciful gadgets interspaced about tonsorial parlours, haberdasheries, theatre lounges and even lingerie shoppes! Ah, this mechanical age. We cannot help but give a thought to the 100 per cent. tobacco retailer when he must meet such competition as hairdressers and beauticians and yet they are also purveyors of his identical wares. And now that pipe smoking has been recently added to the feminine sphere, what can our little tobacconist expect now?

Similar problems have arisen in Europe which parallel the current competitive rivalry small tobacconists must face. In Germany, Sweden, Belgium, Norway, Switzerland, Holland and Denmark come a deluge of complaints from tobacco retailers against larger shops who stock tobacco as a side issue. When it is considered the 100 per cent. retailer has a comparatively heavy initial cost to present an attractive shop and he depends solely upon profits from the sale of one article, whereas competing tradesmen have practically no expense adding tobacco to their stock, it is logically deduced these retailers are nearing the end of their business careers.

Small tobacconists cannot without serious encumbrance add shoes, gloves, pomades, bootblack equipment or other various merchandise to their stock, yet they must battle this competition from concerns who handle such types of products.

We certainly have no desire to induct ourselves as a fault-finding body but offer our criticism in a constructive sense. As a suggestion we wonder if it would make tobacconists just a little more exclusive and elevate their plane of industry if distributors exercised added diligence and care as to where they placed their products and under whose supervision. Instead of foisting tobacco on any merchant who will handle it, narrow the field and it is our conviction tobacco value will be enhanced. Mayhap we will see a resurrection of the poor Indian!

▲

WITH tobacco growers overwhelmingly voting their disapproval of marketing controls by the Agricultural Adjustment Act, it is apparent there will be an increasing demand in the industry for terminating this system of regimentation.

We hestitate to criticize too severely the farm-relief programme subscribed to by Secretary Wallace because there are some redeeming economic merits attached to it, but opposition registered by tobacco planters in the recent referendum indicate they look with disfavor at his attempts to regulate production in this field. Undoubtedly the Secretary is striving with all sincerity to formulate aid for farmers but his reformations have not proven very workable, especially his idea of processing taxes which was stymied by the United States Supreme Court. We understand a revival of this tax is contemplated now that the Court's personnel has changed and the two-price scheme will be urged upon the next Congress.

We do not agree with the Secretary in this plan because selling part of the crops to poor and needy families at low prices and the remainder at higher prices to those adjudged able to pay them, would certainly lead to endless complications.

Just a reminder—don't forget the N. A. T. D. Convention in Chicago the week of January 19th.

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Cigars Decline 4.45% in 10 Months

Cigarettes Gain Over 268,000,000; Smoking and Chewing Tobacco Show Slight Decline; Snuff Production Up

A TEN months survey of the current calendar year discloses that all classes of cigars made in the United States suffered losses which totaled nearly 223,000,000 for a percentage decline of 4.45 per cent. as compared with figures for a similar period last year. However, the month of October showed an increase and it is fully expected the remaining months will offset this decrease.

Cigarettes gained over 268,000,000 during this period for an increase of 0.2 per cent, while little cigars were still trailing last year's output with a 42,000,000 loss in ten months for a 24¾ per cent. setback.

Cigar withdrawals in the Philippine Islands showed an increase of nearly one and a half million, just under 1 per cent. more than last year's figures. A noted decrease in Puerto Rico production of cigars reveals they are under by almost 25,000,000 the figures for 1937.

Class A cigars were off 3½ per cent. or nearly 140,000,000 less but a slight gain was noted for October. Production in this class neared the four billion mark during the first ten months.

Class B cigars were about 3,000,000 under last year for a percentage loss of 6.83 per cent. Their production thus far reaches 43,000,000.

A rather sharp drop of 52,000,000 Class C cigar output gave this group a loss of 11.53 per cent. for the calendar period and another acute decrease was experienced by Class D cigars when they produced nearly 4,000,000 less for a percentage drop of 12 per cent. Production in this group (Class D) reached almost 29,000,000 however.

Most seriously affected in a somewhat declining market were Class E cigars which noted a 18¾ per cent. decrease, only 2,760,000 being produced.

With cigarette production stepping along towards a new high-water mark and reaching 138 billion in ten months, the percentage gain is slight, but the industry has been showing a substantial steadiness.

Snuff production is on the upgrade, according to the statistics, with 30,742,408 pounds manufactured during the ten months compilation. This is nearly a half million pounds increase over last year, for a gain of 1.40 per cent.

Smoking and chewing tobacco were off 1,373,743 pounds from last year. Manufacturers turned out 254,453,230 pounds up until November 1, 1938, for a loss of .54 of 1 per cent.

The Philippine Islands showed an increase in withdrawals of Class A cigars by 1.13 per cent. They produced some 160,000,000 in this category which is close to two million more than last year. Small gains were registered in all other classes with exception to Class E, where a loss was sustained.

Puerto Rico production lagged in Class A cigars during the period by nearly 24,000,000 as only 786,525 were made. Other tobacco products on the Island were also behind last year.

Figures covering withdrawals for the period from January 1 to November 1, 1938, compared with last year, are as follows:

Product	1st 10 Mos. Cal. Yr. 1938		Increase or Decrease Quantity	Per Cent.
Cigars:				
Class A—				
United States	3,815,291,040	—	139,911,720	3.54
Philippine Islands	160,260,945	+	1,783,780	1.13
Puerto Rico	786,525	—	23,981,150	....
Total	3,976,338,510	—	162,109,090	3.92
Class B—				
United States	42,494,720	—	3,112,758	6.83
Philippine Islands	65,603	—	283,318	....
Puerto Rico	73,500	—	690,800	....
Total	42,633,823	—	4,086,876	8.75
Class C—				
United States	399,500,816	—	52,072,754	11.53
Philippine Islands	222,807	+	26,049	....
Puerto Rico	536,500	—	82,250	....
Total	400,260,123	—	52,128,955	11.52
Class D—				
United States	28,862,429	—	3,942,454	12.02
Philippine Islands	251,453	—	53,699	....
Puerto Rico	3,000	+	3,000	....
Total	29,116,882	—	3,993,153	12.06
Class E—				
United States	2,759,136	—	642,026	18.88
Philippine Islands	17,957	+	11,292	....
Puerto Rico	.....		.....	....
Total	2,777,093	—	630,734	18.51
Total All Classes:				
United States	4,288,908,141	—	199,681,712	4.45
Philippine Islands	160,818,765	+	1,484,104	0.93
Puerto Rico	1,399,525	—	24,751,200	....
Grand Total	4,451,126,431	—	222,948,808	4.77
Little Cigars:				
United States	129,130,899	—	42,498,675	24.76
Philippine Islands	.....		.....	....
Puerto Rico	.....	—	1,506,680	....
Total	129,130,899	—	44,005,355	25.42
Cigarettes:				
United States	137,496,912,963	+	268,245,176	0.20
Philippine Islands	1,580,923	+	926,056	....
Puerto Rico	3,259,280	—	611,320	....
Total	137,501,753,166	+	268,559,912	0.20
Large Cigarettes:				
United States	2,027,775	—	370,879	15.46
Philippine Islands	161	—	3,661	....
Puerto Rico	233,850	—	36,150	13.39
Total	2,261,786	—	410,690	15.37
Snuff (lbs.):				
All United States	30,742,408	+	424,541	1.40
Tobacco (Chewing and Smoking) lbs.:				
United States	254,453,230	—	1,373,743	0.54
Philippine Islands	47	+	36	....
Total	254,453,277	—	1,373,707	0.54

Cigars are the most pleasurable and economical form of smoking.

BAYUK BULLETIN

Devoted to the best interests of the men who sell cigars.

First Issued 1929 — DECEMBER 10, 1938 — *Prepared twice a month*

EXTRA! EXTRA!! LAST MINUTE TIPS

on How to Increase Christmas Cigar Profits

Tie in with this big annual drive. Help boost the slogan

"GIVE CIGARS FOR CHRISTMAS!"

It's growing every year—the custom of giving cigars at Christmas. Dealers from one end of the country to the other made real money last Christmas by featuring "Cigars by the box for gifts." You probably did yourself.

And all the signs point to still bigger sales this Christmas. More effort, more publicity is being put behind the drive. Radio, newspaper, poster and point-of-sale material is more extensive than ever. Unusually attractive Christmas wrappings have already made their appearance.

Phillies
(BAYUK PHILADELPHIA PERFECTO)
Havana Ribbon
Mapacuba
Charles Thomson
Prince Hamlet
BAYUK BRANDS BUILD BUSINESS
Advertisement

The stage is all set. All any dealer has to do is cash in on the opportunity. And remember the Fair Trade Acts protect you against price-cutting.

8 tested suggestions for increasing your Christmas cigar profits

1. Get your Christmas display *up early.* Don't wait until people have already bought their gifts. More and more folks are shopping early for Christmas. Put in a window poster and keep it up throughout the holiday season.
2. Pay particular attention to women customers. They are fine prospects for gift boxes of cigars for husband, brother, father or boy friend. Show them your cigars in attractive holiday wrappings. It's a sure way to appeal to the ladies.
3. Put in a center table with holiday boxes attractively arranged and plainly price-marked. It's an excellent silent salesman.
4. Pick out business organizations that employ men and telephone or write a letter to the big boss suggesting that cigars would make an excellent gift for his employees and that you will be glad to supply holiday wrapped cigars.
5. You know the names of lots of your regular customers and what cigars they smoke. Drop a note to their wives saying that you know Mr. Doe smokes such-and-such a cigar and that he'd be glad to get a box for Christmas.
6. Have some cards, listing your leading brands, to hand out to customers and to mail around the neighborhood. The customer can then fill in the names of friends to whom he'd like to send cigars. You offer to deliver them on Christmas Eve. Thus you make it easy for your customers to give cigars.
7. Don't overlook sales *between* Christmas and New Year's. There's lots of last minute giving and lots of people say "Happy New Year" with a gift. That means an extra opportunity to make box sales.
8. Don't put it off—get started *now.*

TO EVERY READER OF THE BAYUK BULLETIN PHIL WISHES A VERY MERRY CHRISTMAS!

October Cigar Production Increases

Withdrawals Best in Classes A, E;
Cigarettes Slump to Loss of 4½%;
Chewing Tobacco Off; Snuff Gains

CIGAR withdrawals in the United States for the month of October show an increase of 1.56 per cent. over a corresponding period last year. The added production amounted to over 8,000,000 cigars with Class A showing a marked upswing reaching nearly 4 per cent. gain and Class E accounting for some 41,000 cigars more for an increase of 6 per cent. Other classes reported declines for the month.

Imports from the Philippine Islands fell off over 5,000,000 cigars for a 23½ per cent. loss but their cigarette production was increased by 103,000 according to tabulations received from The Tobacco Merchants Association Barometer. Cigar production in Puerto Rico was practically extinct.

Cigarette manufacturing took a sharp downward trend with a loss of nearly 628,000,000 or about 4½ per cent. The industry, which produced over 13,000,000,000 cigarettes has not suffered any substantial loss, however, because of their noteworthy gains earlier during the year. They still show an increase over last year's figures during the first ten months.

Chewing and smoking tobacco accounted for almost 25,000,000 pounds during October which was a decrease of 1,337,901 pounds compared with last October's statistics, but these products also show increases during other months and since the first of this year have lost just a little more than one-half of 1 per cent.

Over 3,000,000 pounds of snuff were manufactured during the month of October, which was an increase of almost 141,000 pounds for a percentage gain of 4.69.

Little cigars lost 3,000,000 more during the month to add to their declining market. None at all were manufactured in the Philippines or Puerto Rican territories. Their output has not been so bright this year.

Importation of Class A cigars from the Philippines fell off nearly 24 per cent. for a total nearing 18,000,000 cigars. In Class B there were 12,000 less brought in while Classes C and D remained staple. An increase of 4000 was noted in Class E imports.

Puerto Rico manufacturers produced 176,000 less cigars during October with Class A showing the greatest loss. The Island's Class B, C, and D all showed increases, however. There were no cigars made in Class E during the month. Cigarette production fell to a paltry 200, or a decrease of 99,800 over last year, but they manufactured 15,000 large cigarettes where they had none in October, 1937.

The statistics released for October, 1937 and 1938, are as follows:

Product	October, 1938		Increase or Decrease Quantity	Per Cent.
Cigars:				
Class A—				
United States	452,149,870	+	17,132,980	3.94
Philippine Islands	17,941,255	—	5,560,015	23.66
Puerto Rico	85,975	—	203,775	....
Total	470,177,100	+	11,369,190	2.48
Class B—				
United States	5,809,153	—	849,184	12.75
Philippine Islands	35,700	—	11,717	....
Puerto Rico	8,000	+	1,800	....
Total	5,852,853	—	859,101	12.80
Class C—				
United States	62,196,054	—	8,001,540	11.40
Philippine Islands	39,350	—	786	....
Puerto Rico	97,550	+	24,450	....
Total	62,332,954	—	7,977,876	11.35
Class D—				
United States	4,787,627	—	226,537	4.52
Philippine Islands	50,900	—	300	....
Puerto Rico	1,500	+	1,500	....
Total	4,840,027	—	225,337	4.45
Class E—				
United States	719,368	+	41,093	6.06
Philippine Islands	4,460	+	3,860	....
Puerto Rico	.....		.....	....
Total	723,828	+	44,953	6.62
Total All Classes:				
United States	525,662,072	+	8,096,812	1.56
Philippine Islands	18,071,665	—	5,568,958	23.56
Puerto Rico	193,025	—	176,025	....
Grand Total	543,926,762	+	2,351,829	0.43
Little Cigars:				
United States	14,465,787	—	3,431,773	19.17
Philippine Islands	.....		.....	....
Puerto Rico	.....		.....	....
Total	14,465,787	—	3,431,773	19.17
Cigarettes:				
United States	13,264,393,897	—	627,748,716	4.52
Philippine Islands	105,360	+	103,460	....
Puerto Rico	200	—	99,800	....
Total	13,264,499,457	—	627,745,056	4.52
Large Cigarettes:				
United States	180,405	—	128,465	41.59
Philippine Islands	.....	—	750	....
Puerto Rico	15,000	+	15,000	....
Total	195,405	—	114,215	36.89
Snuff (lbs.):				
All United States	3,128,093	+	140,146	4.69
Tobacco (Chewing and Smoking) lbs.:				
United States	24,740,880	—	1,337,901	5.13
Philippine Islands	.....	—	2	....
Total	24,740,880	—	1,337,903	5.13

CAMELS
Season's Greetings
PRINCE ALBERT

Check the smokers on your Christmas list — delight them with these gaily-wrapped, inexpensive gifts — Camels and Prince Albert

CAMELS—What could be a nicer gift for those who smoke cigarettes than Camels, by far the most popular cigarette in America? Remember... Camels are made of finer, MORE EXPENSIVE tobaccos. There's a world of Christmas cheer in receiving a fine gift of mild, rich-tasting Camel cigarettes—and in *giving* them too!

PRINCE ALBERT—If you want to please a man who smokes a pipe, give him the tobacco that is *extra mild* and *extra tasty* —Prince Albert! Watch his happy smile as he lights up this ripe, rich tobacco that smokes so cool and mellow because it's specially cut and "no-bite" treated. Make this a *real* Christmas for the pipe-smokers you know—give Prince Albert, the National Joy Smoke.

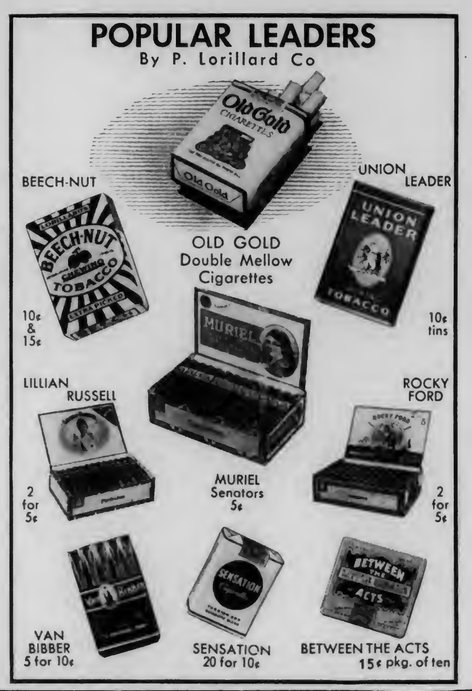
{above} A pound package of rich-tasting, "no-bite" smoking in this eye-filling gift package of Prince Albert. Be sure to see the generous one-pound tin on display at your nearest dealer's.

{above} Also featured in a timely holiday dress—four boxes of Camels in "flat fifties." Looks like *{*and *is}* a lot of "gift" for what you pay!

{left} The handsome Christmas-wrapped Camel carton—10 packs of "20's"—200 cigarettes. Your dealer is featuring it now.

A PERFECT WAY TO SAY MERRY CHRISTMAS

Copr., 1938, R. J. Reynolds Tobacco Co., Winston-Salem, N. C.



CUBA TO CONTROL CIGAR EXPORT

DUE to an increasing foreign demand for low grade cigars in Cuba, drastic steps have been taken by the National Commission of Propaganda and Defense of Havana Tobacco to curb such exports in order to elevate the quality of Cuban tobacco consumed abroad.

Regulatory measures have been invoked which exercise rigid control over exportation of all Havana cigars, cigarettes and cut tobacco and force all exporting manufacturers to secure permission from the Commission before they are allowed to fill any foreign orders. It was pointed out low grade tobacco markets in the Island have become entirely too flourishing while calls for higher grades are less than steady.

The situation reached such an impasse and was exacting such a tribute from the well-known Havana brands of outstanding quality that a Presidential Decree was issued last month giving authority to the Commission to adopt such regulations as necessary to restrain the output of cheaper grades. Through this action Cuban tobacconists hope to secure more staple markets for their finer products and fully expect the official edict to prove a boon to their local industry.

Under the Decree all exporters must file application with the National Commission outlining their stock on hand, foreign customers and orders for tobacco received. With these statistics the Commission will decide just how many of these orders are to be filled and to whom sent. Cuban authorities, custom houses and postal officers will not permit the exportation of either cigars, cigarettes or cut tobacco unless assent is first obtained from the National Commission of Propaganda and Defense of Havana Tobacco.

SEED SHORTAGE IN PUERTO RICO

WITH ideal tobacco weather prevailing and approximately 35 per cent. of the crop already planted, it is still intimated that there will be a decided shortage in seedlings on Puerto Rico this year, according to reports emanating from San Juan.

A recent protracted and extraordinary rainy season washed out many seed-beds and the real loss could not be estimated until weather conditions changed. Although planters are still held up by heavy periodic downpours they have been able to get a large portion of seed sown but were dismayed by the losses sustained from their seed-beds. Growers anticipate a shortage all over the Island but were unable to determine numerically what percentage of decrease will be found affecting the forthcoming crop. However, now with a bright sun and balmy breezes sprinkling Nature's favors over the tobacco crops, planters seem satisfied losses will be held to a minimum.

A proposal will be offered the local legislature by the Commissioner of Agriculture for enactment of an adjustment law to control production of tobacco, according to a recent press release. The recommendation will ask for the creation of a $2,000,000 fund by the government as a subsidy to farmers who comply with restricted production clauses and minimum sales prices of twenty cents per pound.

WALLACE HAILS AAA "VICTORY"

WITH tobacco growers rejecting AAA marketing controls for burley, dark type and other varieties of the product, Secretary of Agriculture Henry A. Wallace holds the referenda on crops of cotton, rice and three types of tobacco as a whole "constitute a remarkable indorsement" of the A.A.A. programs.

He said early returns show 1,587,352 producers of these crops voted and that 76.5 per cent. voted for marketing quotas. Only cotton growers, however, gave the two-thirds majority necessary to begin operations of marketing quotas. Tobacco and rice producers rejected such proposals.

Wallace indicated his department will take steps to "strengthen and improve" the agricultural adjustment act, but he will meet with strong opposition from Senator Borah who has publicly stated he believes "the idea of production control is dead."

Commenting on the recent balloting of planters of tobacco, rice and cotton relative to crop control, Secretary Wallace said: "the results of the referenda this year proved the absurdity of the charges that the agricultural adjustment act of 1938 imposes a dictatorship upon farmers.

"Undoubtedly many of the farmers who voted against quotas for 1939 in the cotton, tobacco and rice referenda approve other phases of the AAA programs. By their very nature, marketing quotas are the most extreme and controversial phase of the AAA.

"The farmers voted on the specific issue as to whether they wanted a more positive form of control for their commodity. The vote did not involve any other phases of the adjustment act. There is no doubt the principles of those programs have the support of a preponderant majority of the farmers."

N. A. T. D. ANNOUNCES PROGRAM

WITH national, local and official cooperation waltzing hand-in-hand, the National Association of Tobacco Distributors are all set for their annual convention in Chicago the week of January 19, 1939.

The conclave-jamboree promises to be one of the most outstanding events ever sponsored by tobacconists. Although plans for a "National Tobacco Week" to run on a country-wide scale concurrent with the convention were dropped, the executive committee of NATD has a programme for such a "week" in the windy city. Mayor Edward J. Kelly has already issued an official proclamation endorsing this feature.

The "national week" idea had to be tabled for the time being because of insufficient time to properly prepare dealers for a schedule containing such gigantic propensities and widespread ramifications.

Serious business of ironing out multitudinous problems which confront those engaged in the industry headline the convention's agenda but entertainment galore for delegates and visitors will be interspersed throughout the week with nary a dull moment indexed.

Among some of the features concocted for siesta hours are a beauty contest of girls employed in the tobacco industry around Chicago; special radio broadcasts on the subject of tobacco; prizes for best window displays during the week and other publicity stunts.

Listed on the business calendar as topics for confrerees to debate and take under consideration are:

1. What constitutes competent management of and fair compensation to the distributors' salesmen?

2. To what extent should distributors, individually or collectively support efforts to improve retail merchandising; (a) effectuating price stabilization; (b) sponsoring and effectuating legislation; (c) improving merchandising technique?

3. Is the manufacturer's missionary man an asset or a liability to the aggressive distributor?

4. Can private brands of tobacco and other products be promoted successfully by wholesale distributors?

5. Do the operations of a distributor justify a close door-to-door coverage and canvass of retail dealers? Or does he successfully perform his function by calling on the most accessible and desirable outlets?

6. The cigar industry—does it offer any future?

7. Mechanical merchandising—how can it be managed efficiently and successfully?

8. Does manufacturers' national advertising increase or diminish the importance of the wholesale tobacco distributor?

9. What can be done toward systematizing and modernizing a wholesale tobacconists's operation?

10. How can a wholesale distributor merchandise successfully sidelines and sundries which include pipes, candy, blades, merchandising deals and a variety of other items?

11. Does the premise that there is a tendency toward localized distribution—which means that the local distributor can operate more economically and successfully than the large distributor who covers a large area—constitute a threat to the larger distributor?

Notables in the industry who will make addresses during course of the convention include:

George Benner, credit manager, Bayuk Cigars, Inc.; R. C. Carden, Jr., general sales manager, Larus & Bro. Co.; Otto Schnering, president, Curtiss Candy Co.; Edmund A. Harvey, treasurer and credit manager, American Tobacco Co.; H. A. Kent, vice-president, P. Lorillard Co.; J. C. Williams, sales manager, Brown & Williamson Tobacco Corporation; George T. Glover, sales manager, Deisel-Wemmer-Gilbert Corporation; C. F. Manning, secretary, Reynolds Metals Co.; L. B. Steele, duPont Cellophane Co.; A. H. Rosenberg, president, Universal Match Corporation.

PENNA. VOIDS "BELOW COST" SALES

AN ATTEMPT by the Pennsylvania State Legislature to enact a statute preventing the sale of goods below cost by retailers went for naught last week when their efforts were declared unconstitutional by Judge Samuel H. Gardner sitting in Common Pleas Court of Allegheny County, Pittsburgh.

Failure of the law-makers to state definitely the purpose of the Act was the basis upon which Judge Gardner founded his reasoning for voiding the Fair Practice Act which was backed by the Pittsburgh Better Business Bureau. A similar piece of legislation, properly drawn and with its intent precisely designated, has recently been affirmed by the Supreme Courts of Kentucky, Tennessee and California.

"There is nothing inherently dangerous to the public welfare in the sale of an article at a price below cost to the seller," said the jurist in his opinion. He took judicial notice of the fact fair trade laws were in effect in many other States but added that these statutes provided specifically below cost sales were unlawful when a bane to competition, abet formation of monopolies, or promulgate fraud. None of these items was included when the Legislature passed the Pennsylvania act. Declaring that the act as passed is an abuse of the State's police power clause in the Constitution, Judge Gardner said, in part:

"It is not permissible under the police power to enact a law which in effect spreads an all-inclusive net for the feet of everybody on the chance that while the innocent will surely be entangled in its meshes, some wrongdoers may be caught.

"Every fair and sound-thinking man knows that it is the common practice of merchants to periodically display in their windows articles from their stock, at reduced prices, to attract the attention of customers and to stimulate trade.

"Unless and until the legislature defines what it has in mind by the passage of the act, the seeming exercise of the police power has no real or specific relation to the public health, safety or morals. Therefore, the Act of Assembly, as at present written, is in violation of the Constitution."

A representative of the Better Business Bureau indicated his organization had received a set-back by the ruling but declared he knew the law was not properly drawn because it had been rushed through with too much haste with insufficient preparation. An appeal to the State Supreme Court from this decision is not contemplated but a movement was immediately started to present another bill to the incoming legislature next month which they hope to have technically correct and which will stand any constitutionality test.

The ruling came when Judge Gardner quashed an indictment against B. P. Zasloff, manager of a cut-rate drug concern in McKeesport, Pa., who was charged with selling articles to purchasers below cost.

Leaves From World Tobacco Markets

A Glossary of News Events and Industrial Conditions Gathered From Corners of Tobacco World

Czechoslovakia

An acute decline in all tobacco products sales was experienced during October as compared with other months according to information revealed by the Czechoslovak Tobacco Monopoly. The downward trend was attributed to unsettled conditions in the country because of its recent disturbances with bordering empires and the loss of territorial domain to Germany, Yugoslavia and Poland under the Four Power agreement made at Munich.

Receipts from sales of cigars, cigarettes and other tobacco products showed a 34 per cent. loss in October over the previous month, and a 9 per cent. loss over October of a year ago. Total sales in October reached 131,000,000 crowns while the September figure was 199,000,000 crowns. Strangely enough, however, total sales for the period from January to October of this year were 7 per cent. ahead of the same period last year.

Bulgaria

Exports of Bulgarian leaf tobacco jumped 31 per cent. the first eight months of this year over a corresponding period last year, says a report from the American Consulate, Sofia. Germany led all other countries as importers of this tobacco with purchase of approximately 12,450,000 kilograms. Total exports of leaf amounted to 19,097,000 kilograms. Authorities state that tobacco exports here are heading for a banner year and tobacco dealers fully expect to reach a new high in output. On the other hand, exports of cut tobacco for pipes and hand-made cigarettes showed picayune figures totaling about 2500 kilograms. Little foreign demand is encountered for Bulgarian-made cigarettes.

China

Growing and cultivation of tobacco is the programme outlined by a group of Japanese settlers who have taken advantage of Nippon's seizure through their "undeclared war" of the Antung region in China. Some 10,000 colonists of all ages have migrated from their homeland to these new fields located north of the Harbin-Heiho line and have set agricultural implements to work toward production of tobacco. It is said these new oriental agrarians are encouraged to promote the tobacco industry because of increased crops and demands of Manchurian leaves. Nipponese government officials are aiding this cavalcade of pioneers by providing all types of transportation and best facilities for navigation.

India

A somewhat erratic Indian tobacco market has United Kingdom tobacconists in a dither. Indian exports more than doubled last year's and cigarette consumption increased even though economic conditions in India are said to be reaching a rather appalling state. With increased production and export trade and local consumption in advance of last year, merchants are still recalcitrant in voicing their optimism concerning the immediate future.

The country is beset with weather upheavals that come with ruinous sweeps intermittently and raise havoc with crops, and, also, labor conditions are only spasmodically settled. Perhaps these are the main reasons why tobacco markets there are undependable.

Turkey

Turkish tobacco markets were flung open to world buyers last month with a total of 40,948,000 kilograms offered for sale. This figure represents the production of the Samsun, Bafra, Atalcham, Izmir and Bursa areas.

A report from the office of the American Commercial Attache, Istanbul, indicates that approximately one-fourth of this crop has been ordered by a German firm which usually purchases about 80 per cent. of the German total.

Tunisia

Recent friction between France and Italy over possessions and the relative autonomy each government's citizens should have centered chiefly about the country of Tunisia. Regarded as an important base for seaplanes its harbor at Bizerte is also a commercial factor along the Mediterranean Sea. It so happens a large amount of tobacco is produced in Tunisia and is exported to France. Italians could use this product.

Iraq

During the year 1937 according to figures just released, the United States was chief importer of Iraq's licorice resources. The tobacco industry here, which uses licorice as casing for many products, purchased 97 per cent. of Iraq's product, says the American Consulate General, Bagdad.

A. A. A. MARKETING QUOTA VALID

IN commenting on the decision in the case of Mulford v. Smith, Mastin G. White, Solicitor, Department of Agriculture, pointed out that in the first court test of the Agricultural Adjustment Act of 1938 the tobacco marketing quota provisions of that Act had been upheld as a constitutionally valid regulation of tobacco marketing.

This case was tried September 23, 1938, in the Middle District of Georgia before a specially constituted three-judge court consisting of Judge Samuel H. Sibley of the Fifth Circuit Court of Appeals; Judge Bascom S. Deaver of the Middle District of Georgia; and Judge Charles B. Kennamer of the Middle District of Alabama. The opinion in the case was written by Judge Sibley, and was handed down on October 7th. An appeal may be taken, at any time within thirty days, directly to the Supreme Court of the United States.

The main contentions of the producers who were attacking the act were that the quota provisions were not a valid exercise of the commerce power and that those provisions deprived producers of property without due process of law. Upon these points Mr. White quoted from the opinion of the Court, as follows:

". . . But the law in controversy does not directly regulate the production of tobacco. It does not penalize or forbid the production of any amount the grower pleases. He may *do* what he likes with it except to market it. Since most tobacco is grown only to be sold, the inability to sell the excess of a quota except at a loss at least of all profit would tend to and probably would result in the non-production of the excess so far as the grower can prevent it. But the act directly deals only with the marketing, and not with the planting or production of tobacco.

"Since marketing is an act of commerce, like transportation, if marketing in interstate and foreign commerce alone had been regulated there would be no fair doubt of the power of Congress generally to regulate. The trouble arises from the inclusion of all sales of tobacco by producers. Congress rests that inclusion on its right to regulate not particular sales as such, but the commerce in tobacco as a great whole, because it is overwhelmingly a matter of interstate and foreign traffic, and so unified in fact as that it must be dealt with generally and on a nation-wide scale. The price to producers, the stability of which is asserted by Congress to be a main concern both because the support of hundreds of thousands of persons depends on it, and because it in turn controls the amount of tobacco which will be grown and if too low may destroy the industry altogether, is a country-wide matter. . . . The stable supply to meet the stable demand and to result in a stable price which Congress seeks to achieve can in its judgment practically be reached only by a country-wide regulation controlling the entire market. . . .

". . . It does not take the property of any producer. It affects the value of his excess, if intentionally or unintentionally he makes more tobacco than his quota, for he has to hold it for another quota year, or else use it in some other way. Insofar as it takes his *liberty* of selling what is his own for what he can obtain for it, or indirectly affects his *liberty* to plant what he pleases on his own land, the taking is not without due process of law but is the ordinary restraint of liberty which accompanies every exercise of police power for the public good. One may be prohibited by competent authority from raising or selling tobacco if by so doing he injures others."

At the time when the action was instituted a preliminary order was made directing the impounding of funds deducted as penalties. The decision of the Court directed the return of these impounded funds to the parties who had paid them into court for disposition according to law.

INCREASING NUMBER OF LAWS SEEM TO IRK ENGLISH TOBACCONISTS

We have plenty of restrictive and unnecessary laws constantly being passed by States and the Government, but we probably are slightly better off that our tobacconist friends in England, according to an editorial in *Tobacco* (England) which writes as follows in a recent issue:

"Before the war ordinary citizens would have thought it ridiculous if they had been told that they could not buy cigarettes or toothpaste after 8 o'clock at night, or would only be permitted to drink at certain hours. If you told them that they could only build a greenhouse or reconstruct the inside of their own house after they had obtained the permission of the local council they would have laughed. Restrictions are being increased every few months by little laws that we never hear about until we are found unknowingly breaking them. One of these days, unless we keep alert, we may wake up to find that a number of other little laws have been passed which will put an end to all liberty."

"DICK McCOY" PIPE HAS DOUBLE

Double Moisture Proof Traps Keep "Dick McCoy" Pipe Bowl Dry

A double moisture proof pipe has recently been introduced on the market by the Phillips Manufacturing Company of Bloomfield, N. J. The pipe has two moisture traps which keep the bowl dry. The pipe has no metal parts, and no dye or lacquer on the bowl, according to the company's statement. The company also makes an offer to repair any pipe made by them for twenty-five cents, provided that the pipe is returned to the company within six months of purchase.

A. OPPENHEIMER & COMPANY MOVE

A. Oppenheimer & Company, Inc., sales agents in the United States for GBD pipes and Gallagher's smoking tobaccos, are now located at 14-16 East 38th Street, New York City, having recently removed from their former offices on Fifth Avenue. The company also carries an attractive line of smokers' accessories.

JOSE MENENDEZ PASSES AT 72

Jose Menendez, widely known tobacco grower and packer of Havana, Cuba, passed away on December 27th, at the age of 72. He suffered a fall some six weeks ago while inspecting his famous tobacco plantation, and failed to recover. A widow and two sons survive him.

R. J. REYNOLDS CO. GETS CONTRACT

Nebraska State Board of Control has awarded contracts totaling $5106 to the R. J. Reynolds Tobacco Company, of Winston-Salem, N. C., for supplying tobacco used by inmates of State institutions during the first half of 1939.

"Poppa" Didn't Want A Smoking "Momma", So They Saw The Judge

Jurist Thinks a Woman Has As Much Right To Smoke As A Man And That It Is A Relaxation For Her In Her Daily Duties

DURING ten years of covering Domestic Relations Court in Philadelphia I have heard thousands of complaints spring from the lips of estranged husbands and wives. Liquor, other men and other women, gambling, late hours and their companion causes of marital discord, fill the records of this Court as wedges which pry apart husband and wife. They are the usual run of the mill. But recently I heard one which was different. It came from a middle aged man against his equally middle aged wife. He objected to the little lady's use of cigarettes.

"She has started to smoke cigarettes, your Honor, and I don't think it is right for her at her age, nor ladylike. When she refused to give them up, we quarrelled and I left," he lamented to Judge Joseph G. Tumolillo.

"He thinks I smoke just to be smart, but I don't. I smoke because I find they relax me and take my mind off my troubles. I can't see any harm in them," was the wife's ready reply.

I smelt a story. A smoky one, if you'll pardon the pun. Out came pencil and copy paper only to be put away a few minutes later when the Judge induced them to go home together for one week. The husband promised he would visit the jurist at his chambers in City Hall within the next few days and the couple walked out smiling.

Their wasn't enough in the case to make a general news story and besides there was a chance for a reconciliation, so I let it pass. But I often wondered about it afterwards. Did hubby keep his promise and visit the Judge, and if so, what did they talk about?

The other day I met Judge Tumolillo outside his office and my curiosity was satisfied. We chatted awhile, talked on current happenings, football, cases in the Civil Branch of the Court where the Judge is presently assigned and finally came around to discussing Domestic Relations cases.

The Judge offered me a cigarette. "That's it. I knew there was something I have wanted to ask you for a long time. What about that case? You know, the one where the husband was gay ninetyish and didn't approve of his wife smoking." I queried.

"What about it?" Judge Tumolillo retorted.

"I mean, did hubby drop in for a little chat like he agreed?"

"Yes, he kept his promise, and now he and his wife are together permanently, I hope."

"Well! What happened? What did you tell him?" I urged.

"Come into the office and I'll tell you. It is a long story," invited the Judge.

In I went, found a deep-cushioned leather easy chair, parked my eager frame and listened.

"In the first place," began Judge Tumolillo, "I told him he was too old fashioned, too set in his ways. I said smoking among women was now an institution and he would have to get used to it. I asked him if he knew that women have smoked in other countries for centuries. I told him of the sedative and stimulating qualities of tobacco. How a woman has the same right to relax, light up a cigarette, and dream away her everyday humdrum existence as a man. And when I confided that my own wife shares my pack of cigarettes his face lit up. 'Does she really?' he asked me. Sure, and why not? I went on. Running a home is just as tough on a woman as running an office is for a man. She enjoys smoking. It takes the edge off her nerves when I come home grumpy. He realized I was only human after all and now seemed more interested in what I was telling him."

"Sounds like good stuff, what else did you tell him?" I prodded the Judge as he offered me a smoke out of a beautiful rosewood humidor.

"Well, then I waxed historical. Told him about tobacco and the famous men who have been associated with it and the important part it has played in history."

The Judge saw I was frowning in doubt, so he told me reporters don't know everything, and continued:

"Sure. There is quite a story back of tobacco in its various forms. I'll go way back and inform you that tobacco was smoked in the neolithic age by the mound builders in connection with their funeral rites. Columbus mentioned it in his reports after his return from Cuba in 1492. Pipe smoking was popularized by that famous personage Sir Walter Raleigh at the end of the sixteenth century, and no doubt eased the troubled nerves of Captain John Smith after his release from an Indian scalp treatment at the intercession of Princess Pocahontas. I'll bet you puff away on an old briar when you knock out a yarn.

"Did you ever hear of the walrus tooth pipe of the Laplander? The pipe made out of an antelope's horn with a wooden stem attached, which is relished by the natives of East Africa?"

The Judge didn't wait for me to admit my ignorance. He continued on:

"Smoking by women," he continued, "goes far back into antiquity." At the end of the Crimean War the soldiers returning to England and France brought back paper-wrapped tobaccos given them by their Turkish friends. This form of tobacco consumption caught on and by 1872 cigarettes were being made in this country. Growth of the cigarette was gradual until the end of the first decade of the twentieth century. In the past twenty years the production has increased enormously and women, in increasing numbers, are smoking cigarettes for relaxation. If smoking a cigarette during the daily drudgery of housekeeping gives them relaxation, I see no harm in it."

"And you told that husband all this?" I broke in.

"Sure I did. And was he interested? He told me the use of tobacco was too much a part of things for him to object, said his wife can smoke all she wanted

(Continued on Page 14)

MORE ABOUT THE N. A. T. D. CONVENTION

THROUGHOUT the formative stage of the Convention Program, the N. A. T. D. kept harping on the magnitude of their Convention Exhibit, using the most superlative adjectives to describe the event. It appeared as a press agent's dream. The current announcement just received bears out their promise and proves that they meant every word of it.

The first official step will be the opening of the Convention Exhibit by Mayor Edward J. Kelly of Chicago. Following this ceremony, an elegant gift will be presented to the Mayor in behalf of the Tobacco Industry.

For local interest and color, a contest is being arranged to select the most attractive, original retail window display. The Judges will include several prominent city officials as well as prominent members of the tobacco trade. Awards will be 1000 Class A and 500 Class C cigars to the winner of the first selection; second prize will be 10,000 popular brand cigarettes, while the third will be an assortment of pipes with a retail resale value of $50.

In addition to the convention features previously announced an award of a delivery truck—absolutely free—will be given to the holder of a lucky number. The award will be made at the banquet. Entering this contest entails no cost and is open to every member attending the Convention. Last year's winner of a delivery truck was Mrs. Ludwig Mann, of the New England Cigar and Tobacco Co., New London, Conn.

Another Trophy Award, like last year, will be presented to the largest contingent attention the Convention from any city. Last year's trophy was annexed by the Chicago Tobacco Jobbers' Association, an affiliate of the N. A. T. D.

A beauty contest, to select the "Queen of the Tobacco Industry," will attract young ladies who, in order to qualify, must be employed in any capacity in any tobacco establishment. This includes night clubs, tobacco manufacturers, wholesalers, retailers, and any other outlet where tobacco products are manufactured or sold. Several attractive awards will be made.

A surprise feature of this outstanding program is a general meeting of every delegate representing manufacturers, wholesalers, and others attending the Convention. This meeting will follow the third session on Saturday, January 21st, and will be held at 2 P. M. Details and the purpose of this gigantic meeting, the first of its kind ever held, have not been divulged by the N. A. T. D. Convention Board. This is to be a pleasant surprise, according to the announcement.

SPRUCE LUMBER
for CIGAR BOXES
It's Brighter - for the Eye
It's Lighter - for Shipping
It's Better - for the Cigars
SPECIFY SPRUCE
Uptegrove Lumber Co.
Cigar Box Lumber for 65 years
15 Washington St. Newark, N. J.

Established 1886
"BEST OF THE BEST"
OPTIMO CIGARS
Manufactured by A. SANTAELLA & CO.
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AUTOKRAFT
CIGAR BOXES
Boite Nature
Cedar Chests
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AUTOKRAFT BOX CORP.
Lima, Ohio
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Detroit, Mich.
Hellam, Pa.
Hanover, Pa.
Philadelphia, Pa.
Wheeling, W. Va.

Tobacco Merchants' Association Registration Bureau, 341 Madison Ave. NEW YORK CITY

Schedule of Rates for Trade-Mark Services Effective April 1, 1916

Registration,	(see Note A),	$5.00
Search,	(see Note B),	1.00
Transfer,		2.00
Duplicate Certificate,		2.00

Note A—An allowance of $2 will be made to members of the Tobacco Merchants' Association on each registration.

Note B—If a report on a search of a title necessitates the reporting of more than ten (10) titles, but less than twenty-one (21), an additional charge of One Dollar ($1.00) will be made. If it necessitates the reporting of more than twenty (20) titles, but less than thirty-one (31), an additional charge of Two Dollars ($2.00) will be made and so an additional charge of One Dollar ($1.00) will be made for every ten (10) additional titles necessarily reported.

TRANSFERRED REGISTRATIONS

PRIMANOS:—9664 (U. S. Tobacco Journal). For cigars. Registered May 15, 1888, by Steinecke & Kerr, New York, N. Y. Transferred by R. Steinecke Co., Jackson Heights, N. Y., successors to the original registrants, to Stewart-Allen Co., Inc., New York, N. Y., on November 29, 1938.

AMERICAN CABINET:—13,840 (U. S. Tobacco Journal). For cigars, cigarettes and tobacco. Registered November 13, 1891, by La Manolia Co., New York, N. Y., and which was transferred to R. Steinecke Co., New York, N. Y. Also **12,635** (U. S. Patent Office), for cigars, on January 30, 1906, by R. Steinecke Co., New York, N. Y. Re-transferred to Stewart-Allen Co., Inc., New York, N. Y., on November 29, 1938.

OLYMPIAD:—16,934 (U. S. Patent Office). For cigars. Registered April 15, 1913, by Florencio Vega & Co., Chicago, Ill. Through mesne transfers acquired by Anthony Kleiner, Grand Rapids, Mich., and re-transferred to M. Bernstone, Buffalo, N. Y., on November 29, 1938.

STEP LIVELY:—32,427 (Tobacco Leaf). For cigars, cigarettes, cheroots and tobacco. Registered November 30, 1906, by H. L. Meyer, Chicago, Ill. Transferred to Nathan Elson & Co., Chicago, Ill., on November 29, 1938.

*Manufactured Tobacco Produced by Classes

(As reported by the Bureau of Internal Revenue, based on manufacturers' returns of production)

Month of August

Product	1938	Increase or Decrease Quantity	Per Cent.
Plug	5,139,627	+ 125,081	2.49
Twist	536,722	— 71,225	11.72
Fine-cut Chewing	408,665	— 75,672	15.62
Scrap Chewing	3,708,811	— 584,177	13.61
Smoking	17,962,129	+ 2,565,753	16.66
Total	27,755,954	+ 1,959,760	7.60

Eight Months Ending August 31

Product	1938	Increase or Decrease Quantity	Per Cent.
Plug	36,987,180	— 2,756,694	6.94
Twist	3,523,042	— 1,062,600	23.17
Fine-cut Chewing	3,162,077	— 610,700	16.19
Scrap Chewing	29,968,455	— 902,807	2.92
Smoking	129,363,702	+ 4,272,722	3.42
Total	203,004,456	— 1,060,079	0.52

*The production figures are in pounds, and are subject to revision until published in the annual report of the Commissioner of Internal Revenue.

BONUS FOR LIGGETT & MYERS WORKERS

Bonus payments amounting to around $100,000 were made by the Liggett & Myers Tobacco Company, which gave each of its employees in Durham, N. C., two weeks pay. This is the third year the company has given its workers a Christmas bonus. Following a practice, also, of several years' standing, The American Tobacco Company factories here gave their workers a week's vacation with pay. Some 1700 to 1800 persons were affected in Durham, N. C.

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"POPPA" DIDN'T WANT A SMOKING "MOMMA," SO THEY SAW THE JUDGE

Continued from Page 12

from then on and bet me they would never be in Domestic Relations Court again."

When pressed with interrogatories relative to his seemingly versatile knowledge of tobacco, the jurist responded that he made a "little research" on this subject and had made himself acquainted with some of its developments because "I am quite a smoker myself."

(Editor's Note—The writer is a Philadelphia newspaperman covering courts. His article is especially written for TOBACCO WORLD.)

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You can put a Cigar in a Smoker's Mouth but if he don't like it he'll throw it away.

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End of Volume